

THE ONE HUNDRED AND TWENTIETH DAY

CARSON CITY (Monday), June 4, 2007

Senate called to order at 12:06 p.m.

President Krolicki presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Albert Tilstra.

Our Father, as a battery is recharged without sound or motion so will You, in this moment so precious, send Your spirit into the hearts and minds of Your servants, the Senators in this Chamber.

With newness of life, with spiritual power, vision and lively faith, enable them to meet all the demands of this day with glad anticipation, and give them peace.

AMEN.

Pledge of Allegiance to the Flag.

Senator Raggio moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Senate Bills Nos. 108, 248; Assembly Bill No. 196, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Finance, to which was rereferred Senate Bill No. 238, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM J. RAGGIO, *Chair*

Mr. President:

Your Committee on Transportation and Homeland Security, to which was referred Assembly Bill No. 141, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

DENNIS NOLAN, *Chair*

MESSAGES FROM THE GOVERNOR

STATE OF NEVADA

EXECUTIVE CHAMBER

CARSON CITY, NEVADA 89701

May 14, 2007

THE HONORABLE SENATOR WILLIAM J. RAGGIO, *Majority Leader*,

Legislative Building, 401 South Carson Street, Carson City, NV 89701

DEAR SENATOR RAGGIO:

I am returning Senate Bill No. 567 to the 74th Session of the Nevada Legislature accompanied by my letter of objection.

Sincerely,

JIM GIBBONS

Governor of Nevada

May 30, 2007

THE HONORABLE SENATOR WILLIAM J. RAGGIO, *Majority Leader*,
Legislative Building, 401 South Carson Street, Carson City, NV 89701

DEAR SENATOR RAGGIO:

I am returning Senate Bill No. 66 to the 74th Session of the Nevada Legislature accompanied by my letter of objection.

Sincerely,
JIM GIBBONS
Governor of Nevada

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 3, 2007

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 191, 547.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 146, 563, 617.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted Senate Concurrent Resolution No. 48.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendments Nos. 990, 1111 to Assembly Bill No. 161; Senate Amendment No. 1039 to Assembly Bill No. 202; Senate Amendment No. 1132 to Assembly Bill No. 232; Senate Amendment No. 1040 to Assembly Bill No. 273; Senate Amendment No. 1131 to Assembly Bill No. 591; Senate Amendment No. 1124 to Assembly Bill No. 595; Senate Amendment No. 1083 to Assembly Bill No. 621.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to concur in the Senate Amendment No. 1120 to Assembly Bill No. 246; Senate Amendments Nos. 1096, 1134 to Assembly Bill No. 619.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to recede from its action on Senate Bill No. 490, Assembly Amendments Nos. 1018, 1123, and requests a conference, and appointed Assemblymen Ocegüera, Conklin and Carpenter as a first Conference Committee to meet with a like committee of the Senate.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Conklin, Smith and Allen as a first Conference Committee concerning Assembly Bill No. 88.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Arberry, Buckley and Hardy as a first Conference Committee concerning Assembly Bill No. 319.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Gerhardt, Atkinson and Carpenter as a first Conference Committee concerning Assembly Bill No. 594.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Conference Committee concerning Senate Bills Nos. 43, 131, 154, 239, 303, 320, 329, 432, 536; Assembly Bills Nos. 50, 182, 428, 521.

LUCINDA BENJAMIN
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Raggio moved that vetoed Senate Bills Nos. 66 and 567 of the 74th Session be made a Special Order of Business for Monday, June 4, 2007, at 12:30 p.m.

Remarks by Senator Raggio.

Motion carried.

Senator Hardy moved that the action whereby the first Conference Report on Assembly Bill No. 461 was not adopted be rescinded.

Remarks by Senator Hardy.

Motion carried.

Senator Hardy moved that Assembly Bill No. 461 be moved to Unfinished Business on the second agenda.

Motion carried.

Senator Raggio moved to consider all matters on other orders of business before going to Order of Business 16.

Remarks by Senator Raggio.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By the Senate Committee on Finance and the Assembly Committee on Ways and Means:

Senate Bill No. 578—AN ACT relating to projects of capital improvement; authorizing certain expenditures by the State Public Works Board; levying a property tax to support the Consolidated Bond Interest and Redemption Fund; making appropriations; and providing other matters properly relating thereto.

Senator Raggio moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 146.

Senator Nolan moved that the bill be referred to the Committee on Human Resources and Education.

Motion carried.

Assembly Bill No. 563.

Senator Nolan moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 617.

Senator Nolan moved that the bill be referred to the Committee on Finance.

Motion carried.

Senator Raggio moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 12:17 p.m.

SENATE IN SESSION

At 12:22 p.m.

President Krolicki presiding.

Quorum present.

SECOND READING AND AMENDMENT

Senate Bill No. 108.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1151.

"SUMMARY—Provides for the use of zero-based budgeting in the state budget process. (BDR 31-476)"

"AN ACT relating to the state budget process; providing for the use of zero-based budgeting in preparing the proposed budgets of a ~~certain~~ portion of the Executive Department of *the* State Government each biennium; requiring the Chief of the Budget Division of the Department of Administration to adopt certain regulations to carry out zero-based budgeting; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill amends the State Budget Act by providing that the Governor must require approximately 20 percent of the departments, institutions and agencies of the Executive Department of the State Government each biennium to prepare their proposed budgets using zero-based budgeting, which is a method of determining the budget of a department, institution or agency pursuant to which: (1) the budget of the department, institution or agency for the biennium immediately preceding the biennium covered by the budget is deemed to have been zero; and (2) each proposed expenditure for the biennium covered by the budget must be justified as if it were a new expenditure. Section 1 also requires the Chief of the Budget Division of the Department of Administration to: (1) adopt regulations to provide appropriate instructions and guidance to departments, institutions and agencies that are required to use zero-based budgeting; and (2) provide necessary technical assistance to those departments, institutions and agencies to enable them to complete their budgetary requests in a timely and efficient manner.

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

Section 1. Chapter 353 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Governor shall, for each biennium to be covered by a proposed state budget, require the proposed budgets of approximately 20 percent of the departments, institutions and agencies of the Executive Department of the State Government to be prepared using zero-based budgeting.*

2. No department, institution or agency of the Executive Department may be required pursuant to this section to have its proposed budget prepared using zero-based budgeting more often than once every 10 years.

3. The Chief shall provide to a department, institution or agency of the Executive Department that is required pursuant to this section to have its proposed budget prepared using zero-based budgeting such technical assistance as is necessary to enable the department, institution or agency to complete its budgetary requests in a timely and efficient manner as determined by the Chief.

4. The Chief shall adopt such regulations as he determines are necessary to provide appropriate instructions and guidance to departments, institutions and agencies of the Executive Department in carrying out the provisions of this section.

5. As used in this section, "zero-based budgeting" means a method of determining the budget of a department, institution or agency pursuant to which:

(a) The budget of the department, institution or agency for the biennium immediately preceding the biennium covered by the budget is deemed to have been zero; and

(b) Each proposed expenditure for the biennium covered by the budget must be justified as if it were a new expenditure.

Sec. 2. NRS 353.150 is hereby amended to read as follows:

353.150 NRS 353.150 to 353.246, inclusive, and section 1 of this act may be cited as the State Budget Act.

Sec. 3. NRS 353.155 is hereby amended to read as follows:

353.155 As used in NRS 353.150 to 353.246, inclusive, and section 1 of this act, "Chief" means the Chief of the Budget Division of the Department of Administration.

Sec. 4. NRS 353.246 is hereby amended to read as follows:

353.246 1. Except as otherwise provided in subsection 2 of this section and subsection 6 of NRS 353.210, the provisions of NRS 353.150 to 353.245, inclusive, and section 1 of this act do not apply to agencies, bureaus, commissions and officers of the Legislative Department, the Public Employees' Retirement System and the Judicial Department of the State Government.

2. The Legislative Department, the Public Employees' Retirement System and the Judicial Department of the State Government shall submit their budgets to the Legislature in the same format as the proposed executive budget unless otherwise provided by the Legislative Commission. All projections of revenue and any other information concerning future state revenue contained in those budgets must be based upon the projections and estimates prepared by the Economic Forum pursuant to NRS 353.228.

Sec. 5. This act becomes effective on July 1, 2009.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 248.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1155.

"SUMMARY—Revises provisions concerning the salaries of justices of the Supreme Court and district judges in Nevada. (BDR 1-663)"

"AN ACT relating to the judicial system; adjusting prospectively the salaries of justices of the Supreme Court and district judges; making an appropriation; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill prospectively increases the annual base salaries of justices of the Supreme Court from \$140,000 to ~~[\$182,000]~~ \$170,000. (NRS 2.050) Section 2 of this bill prospectively increases the annual base salaries of district judges from \$130,000 to ~~[\$169,000]~~ \$160,000. (NRS 3.030)

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

Section 1. NRS 2.050 is hereby amended to read as follows:

2.050 1. Until the first Monday in January ~~[2003,]~~ 2009, the justices of the Supreme Court whose terms of office expire on the first Monday in January ~~[2003]~~ 2009 are entitled to receive an annual base salary of ~~[\$107,600.]~~ \$140,000. From and after the first Monday in January ~~[2003,]~~ 2009, their successors in office are entitled to receive an annual base salary of ~~[\$140,000.]~~ ~~[\$182,000.]~~ \$170,000.

2. Until the first Monday in January ~~[2005,]~~ 2011, the justices of the Supreme Court whose terms of office expire on the first Monday in January ~~[2005]~~ 2011 are entitled to receive an annual base salary of ~~[\$107,600.]~~ \$140,000. From and after the first Monday in January ~~[2005,]~~ 2011, their successors in office are entitled to receive an annual base salary of ~~[\$140,000.]~~ ~~[\$182,000.]~~ \$170,000.

3. Until the first Monday in January ~~[2007,]~~ 2013, the justices of the Supreme Court whose terms of office expire on the first Monday in January ~~[2007]~~ 2013 are entitled to receive an annual base salary of ~~[\$107,600.]~~ \$140,000. From and after the first Monday in January ~~[2007,]~~ 2013, their successors in office are entitled to receive an annual base salary of ~~[\$140,000.]~~ ~~[\$182,000.]~~ \$170,000.

4. All salaries provided for in this section are payable in biweekly installments as other state officers are paid.

Sec. 2. NRS 3.030 is hereby amended to read as follows:

3.030 1. Until the first Monday in January ~~[2003,]~~ 2009, the annual base salary of each district judge is ~~[\$100,000.]~~ \$130,000. From and after the

first Monday in January ~~[2003,]~~ 2009, the annual base salary of each district judge is ~~[\$130,000.]~~ ~~[\$160,000.]~~ \$160,000.

2. If a district judge has served in his office for at least 4 years, he is entitled to an additional salary of 2 percent of his annual base salary for each year of service. The additional salary must not exceed 22 percent of his annual base salary.

3. The annual base salaries and the additional salary for longevity must be paid in biweekly installments out of the District Judges' Salary Account of the Supreme Court.

4. No salary of any district judge may be paid in advance.

Sec. 3. 1. There is hereby appropriated from the State General Fund to the Supreme Court the sum of \$46,590 for the additional salary costs for justices of the Supreme Court resulting from section 1 of this act.

2. There is hereby appropriated from the State General Fund to the District Judges' Salary Account the sum of \$1,212,274 for additional salary costs for district judges resulting from section 2 of this act.

3. There is hereby appropriated from the State General Fund to the Senior Justice and Senior Judge Program Account the sum of \$185,445 for the additional salary costs for Senior Justices and Senior Judges resulting from the increased salaries provided for justices of the Supreme Court and district judges in sections 1 and 2 of this act.

4. Any remaining balance of the appropriations made by subsections 1, 2 and 3 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which the money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

~~[Sec. 3.]~~ *Sec. 4. 1. This ~~[act becomes]~~ section and sections 1 and 2 of this act become effective upon passage and approval.*

2. Section 3 of this act becomes effective on July 1, 2008.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 196.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1153.

"SUMMARY—Makes changes concerning the limitation on the total proposed expenditures of the State. (BDR 31-946)"

"AN ACT relating to state financial administration; exempting from the limitation on the proposed expenditures of the Executive Department of the State Government any expenditures for the purpose of reducing an unfunded accrued liability of the State ~~for~~ Retirees' Health and Welfare Benefits Fund; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law requires the Chief of the Budget Division of the Department of Administration to prepare a proposed budget for the Executive Department of the State Government. (NRS 353.185) Under existing law, the proposed total expenditures in this proposed budget, excluding proposed expenditures for construction, cannot exceed a certain amount. (NRS 353.213) This bill provides that expenditures to reduce any unfunded accrued liability of the State Retirees' Health and Welfare Benefits Fund are excluded from the limitation on proposed total expenditures.

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

Section 1. NRS 353.213 is hereby amended to read as follows:

353.213 1. In preparing the proposed budget for the Executive Department of the State Government for each biennium, the Chief shall not exceed the limit upon total proposed expenditures for purposes other than construction *and reducing any unfunded accrued liability of the State Retirees' Health and Welfare Benefits Fund created by section 4 of Senate Bill No. 547 of the 74th Session of the Nevada Legislature* from the State General Fund calculated pursuant to this section. The base for each biennium is the total expenditure, for the purposes limited, from the State General Fund appropriated and authorized by the Legislature for the biennium beginning on July 1, 1975.

2. The limit for each biennium is calculated as follows:

(a) The amount of expenditure constituting the base is multiplied by the percentage of change in population for the current biennium from the population on July 1, 1974, and this product is added to or subtracted from the amount of expenditure constituting the base.

(b) The amount calculated pursuant to paragraph (a) is multiplied by the percentage of inflation or deflation, and this product is added to or subtracted from the amount calculated pursuant to paragraph (a).

(c) Subject to the limitations of this paragraph:

(1) If the amount resulting from the calculations pursuant to paragraphs (a) and (b) represents a net increase over the base biennium, the Chief may increase the proposed expenditure accordingly.

(2) If the amount represents a net decrease, the Chief shall decrease the proposed expenditure accordingly.

(3) If the amount is the same as in the base biennium, that amount is the limit of permissible proposed expenditure.

➡ The proposed budget for each fiscal year of the biennium must provide for a reserve of not less than 5 percent nor more than 10 percent of the total of all

proposed appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

3. The revised estimate of population for the State issued by the United States Department of Commerce as of July 1, 1974, must be used, and the Governor shall certify the percentage of increase or decrease in population for each succeeding biennium. The Consumer Price Index published by the United States Department of Labor for July preceding each biennium must be used in determining the percentage of inflation or deflation.

4. The Chief may exceed the limit to the extent necessary to meet situations in which there is a threat to life or property.

5. *As used in this section, "unfunded accrued liability" means a liability with an actuarially determined value which exceeds the value of the assets in the fund from which payments are made to discharge the liability.*

Senator Rhoads moved the adoption of the amendment.

Remarks by Senator Rhoads.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

GENERAL FILE AND THIRD READING

Senate Bill No. 238.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1142.

"SUMMARY—Provides for a program of empowerment schools. (BDR 34-112)"

"AN ACT relating to education; establishing a program of empowerment schools for the public schools in this State; authorizing public schools to develop empowerment plans; prescribing the process for the approval of empowerment plans by the State Board of Education and the boards of trustees of school districts; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 3 of this bill establishes a program of empowerment schools for public schools within this State. Section 3 also authorizes each board of trustees of a school district to create a design team for the school district to advise the board of trustees on empowerment schools. Section 4 of this bill provides for the establishment of policies and procedures for schools that wish to convert to empowerment schools.

Sections 5 and 6 of this bill address the requirements for a school to convert to an empowerment school, including the establishment of an empowerment team and the development of an empowerment plan. The principal of a public school located in a county whose population is ~~less than 5,000 or~~ less than 100,000 is not required to establish an empowerment

team. Sections 6.3 and 6.5 of this bill require the empowerment plan of a school to be approved by the board of trustees of the school district or, if the school is a charter school that is sponsored by the State Board of Education, the State Board, before the school can operate as an empowerment school.

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

Section 1. Chapter 386 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.

Sec. 2. *As used in sections 2 to 10, inclusive, of this act, unless the context otherwise requires, "empowerment school" means a public school operating under an empowerment plan developed pursuant to section 6 of this act and approved pursuant to section 6.3 or 6.5 of this act, as applicable.*

Sec. 3. 1. *There is hereby established a program of empowerment schools for public schools within this State. The program does not include a university school for profoundly gifted pupils.*

2. *Except as otherwise provided in this subsection, the board of trustees of a school district which is located:*

(a) In a county whose population is less than 100,000 may approve public schools located within the school district to operate as empowerment schools.

(b) In a county whose population is 100,000 or more shall approve not less than 5 percent of the schools located within the school district to operate as empowerment schools.

➡ *The total number of schools which operate as empowerment schools in this State must not exceed 100 schools. The Department shall adopt procedures to ensure compliance with the provisions of this subsection.*

3. *The board of trustees of a school district which participates in the program of empowerment schools shall, on or before September 1 of each year, provide notice to the Department of the number of schools within the school district that are approved to operate as empowerment schools for that school year.*

4. *The board of trustees of a school district that participates in the program of empowerment schools may create a design team for the school district. If such a design team is created, the membership of the design team must consist of the following persons appointed by the board of trustees:*

(a) At least one representative of the board of trustees;

(b) The superintendent of the school district, or his designee;

(c) Parents and legal guardians of pupils enrolled in public schools in the school district;

(d) Teachers and other educational personnel employed by the school district, including, without limitation, school administrators;

(e) Representatives of organizations that represent teachers and other educational personnel;

(f) Representatives of the community in which the school district is located and representatives of businesses within the community; and

(g) Such other members as the board of trustees determines are necessary.

5. If a design team is created for a school district, the design team shall:

(a) Recommend policies and procedures relating to empowerment schools to the board of trustees of the school district; and

(b) Advise the board of trustees on issues relating to empowerment schools.

6. The board of trustees of a school district may accept gifts, grants and donations from any source for the support of the empowerment schools within the school districts.

Sec. 4. 1. The board of trustees of a school district that participates in the program of empowerment schools may establish policies and procedures for public schools within the school district that wish to convert to empowerment schools which may provide for:

(a) The process by which a public school may convert to an empowerment school, including, without limitation, the development of an empowerment plan for the school in accordance with section 6 of this act;

(b) Autonomy for the principal of each empowerment school to decide issues relating to the operation of the school, including, without limitation, the school schedule, governance, incentives for employees, staffing, budgeting and the provision of instruction;

(c) The opportunity for empowerment schools within the school district to offer an alternative schedule, including, without limitation, a longer school day or a longer school year, or both, and to offer school during the summer; and

(d) Other matters as deemed necessary by the board of trustees.

2. The board of trustees of a school district that participates in the program of empowerment schools shall adopt policies and procedures which provide for:

(a) Accountability measures designed to ensure that pupils enrolled in an empowerment school are achieving certain goals and standards relating to academic achievement;

(b) The process for the selection of empowerment schools and the approval of empowerment plans for those schools;

(c) The process for renewal of empowerment plans;

(d) The criteria for revocation of an empowerment plan for a school and the procedure for revocation; and

(e) The time period for which empowerment plans will be approved.

3. A school district that participates in the program of empowerment schools shall provide a process for a pupil who resides in the school district to attend:

(a) An empowerment school regardless of the school which the pupil is otherwise zoned to attend.

(b) A school that is not an empowerment school if the pupil is zoned to attend a school that converts to an empowerment school.

↪ *The board of trustees of a school district must comply with the No Child Left Behind Act of 2001, 20 U.S.C. § 6301 et seq., when establishing provisions relating to school choice pursuant to this subsection.*

4. *An empowerment school shall:*

(a) *Enroll first the pupils who are zoned to attend that school.*

(b) *After the enrollment of pupils pursuant to paragraph (a), if the school has space available, enroll pupils who are not otherwise zoned to attend the school on the basis of a lottery system.*

5. *A school district is not required to provide transportation to a pupil who attends a public school which the pupil is not otherwise zoned to attend.*

6. *A school district that participates in the program of empowerment schools shall provide a procedure for an empowerment school to obtain a waiver from the requirements and regulations of the board of trustees of the school district. The board of trustees may not waive:*

(a) *The requirements of a state or federal law or regulation.*

(b) *A policy or requirement relating to safety, including, without limitation, hiring security personnel and following procedures designed to ensure the safety of the school, the personnel employed at the school and the pupils.*

Sec. 5. 1. *Except as otherwise provided in subsection 2, the principal of a public school within a school district that participates in the program of empowerment schools who wishes to convert to an empowerment school shall:*

(a) *Establish an empowerment team for the school; and*

(b) *Develop an empowerment plan for the school in consultation with:*

(1) *The empowerment team; and*

(2) *The school support team, if a school support team has been established for the school pursuant to NRS 385.3721.*

2. *The principal of a public school located in a county whose population is ~~5,000 or~~ less than 100,000 may develop an empowerment plan for the school without establishing or consulting with an empowerment team. If a school support team has been established for the school, the principal shall develop the empowerment plan in consultation with the school support team. If an empowerment team has not been established pursuant to the exception provided in this subsection, the principal of the school shall carry out the responsibilities and duties otherwise assigned to an empowerment team pursuant to sections 2 to 10, inclusive, of this act.*

3. *An empowerment team for a school must consist of the following persons:*

(a) *The principal of the school;*

(b) *At least two but not more than four teachers and other licensed educational personnel who are employed at the school, selected by a recognized employee organization that represents licensed educational personnel within the school district;*

(c) *At least two but not more than four employees, other than teachers and other licensed educational personnel, who are employed at the school, selected by an organization that represents those employees;*

(d) *At least two but not more than four parents and legal guardians of pupils enrolled in the school, selected by an association of parents established for the school;*

(e) *At least two but not more than four representatives of the community or businesses within the community;*

(f) *The facilitator of the school support team, if a school support team has been established for the school pursuant to NRS 385.3721; and*

(g) *Such other persons as may be necessary to meet the requirements set forth in subsection 4.*

4. *Of the total number of members on an empowerment team for a school:*

(a) *At least one member must have 5 years or more of experience in school finance;*

(b) *At least one member must have 5 years or more of experience in school administration or human resources;*

(c) *At least one member must have 5 years or more of experience in overseeing the academic programs and curriculum for a public school; and*

(d) *At least one member must have 5 years or more of experience in the collection and analysis of data.*

➡ *The provisions of this subsection do not require the appointment of four persons if one, two or three such persons satisfy the qualifications.*

5. *A charter school that wishes to participate in the program of empowerment schools shall comply with the provisions of sections 2 to 10, inclusive, of this act. If a charter school is approved as an empowerment school, the charter school does not forfeit its status as a charter school.*

Sec. 5.5. *An empowerment team for a school shall:*

1. *Select, from among its members, a Chairman and a Vice Chairman.*

2. *Assist the principal in the development of the empowerment plan for the school.*

3. *Assist in the development of the proposed budget for the school and provide ongoing advice to the principal concerning the expenditure of money apportioned to the school.*

4. *Provide continued oversight of the school and assist in the management decisions for the school.*

Sec. 6. 1. *Each empowerment plan for a school must:*

(a) *Set forth the manner by which the school will be governed;*

(b) *Set forth the proposed budget for the school, including, without limitation, the cost of carrying out the empowerment plan, and the manner by which the money apportioned to the school will be administered;*

(c) *If a school support team has been established for the school pursuant to NRS 385.3721, require the principal and the empowerment team for the school to work in consultation with the school support team;*

(d) Prescribe the academic plan for the school, including, without limitation, the manner by which courses of study will be provided to the pupils enrolled in the school and any special programs that will be offered for pupils;

(e) Prescribe the manner by which the achievement of pupils will be measured and reported for the school, including, without limitation, the results of the pupils on the examinations administered pursuant to NRS 389.015 and 389.550;

(f) Prescribe the manner by which teachers and other licensed educational personnel will be selected and hired for the school, which must be determined and negotiated pursuant to chapter 288 of NRS;

(g) Prescribe the manner by which all other staff for the school will be selected and hired, which must be determined and negotiated pursuant to chapter 288 of NRS;

(h) Indicate whether the empowerment plan will offer an incentive pay structure for staff and a description of that pay structure, if applicable;

(i) Indicate the intended ratio of pupils to teachers at the school, designated by grade level, which must comply with NRS 388.700 or 388.720, as applicable;

(j) Provide a description of the professional development that will be offered to the teachers and other licensed educational personnel employed at the school;

(k) Prescribe the manner by which the empowerment plan will increase the involvement of parents and legal guardians of pupils enrolled in the school;

(l) Comply with the plan to improve the achievement of the pupils enrolled in the school prepared pursuant to NRS 385.357;

(m) Address the specific educational needs and concerns of the pupils who are enrolled in the school; and

(n) Set forth the calendar and schedule for the school.

2. *If the empowerment plan includes an incentive pay structure, that pay structure must:*

(a) Provide an incentive for all staff employed at the school;

(b) Set forth the standards that must be achieved by the pupils enrolled in the school and any other measurable objectives that must be met to be eligible for incentive pay; and

(c) Be in addition to the salary or hourly rate of pay negotiated pursuant to chapter 288 of NRS that is otherwise payable to the employee.

3. *An empowerment plan may:*

(a) Request a waiver from a statute contained in this title or a regulation of the State Board or the Department.

(b) Identify the services of the school district which the school wishes to receive, including, without limitation, professional development, transportation, food services and discretionary services. Upon approval of

the empowerment plan, the school district may deduct from the total apportionment to the empowerment school the costs of such services.

4. For purposes of determining the budget pursuant to paragraph (b) of subsection 1, if a public school which converts to an empowerment school is a:

(a) Charter school, the amount of the budget is the amount equal to the apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, and its proportionate share of any other money available from federal, state or local sources that the school or the pupils enrolled in the school are eligible to receive.

(b) Public school, other than a charter school, the empowerment team for the school shall have discretion of 90 percent of the amount of money from the state financial aid and local funds that the school district apportions for the school, without regard to any line-item specifications or specific uses determined advisable by the school district, unless the empowerment team determines that a lesser amount is necessary to carry out the empowerment plan.

Sec. 6.3. 1. ~~The~~ Except as otherwise provided in subsection 10, the empowerment team of a public school, other than a charter school that is sponsored by the State Board, that develops an empowerment plan pursuant to section 6 of this act shall submit the proposed empowerment plan to the designee of the board of trustees appointed pursuant to this subsection for review and approval pursuant to this section. The board of trustees shall designate a person to review each proposed empowerment plan and recommend the approval or denial of the plan to the board of trustees.

2. The board of trustees shall approve or deny the empowerment plan. The approval or denial of an empowerment plan must be based solely upon the contents of the plan and may not consider the amount of money required to carry out the empowerment plan if the plan is within the limits of the total apportionment to the school pursuant to subsection 4 of section 6 of this act.

3. ~~##~~ Except as otherwise provided in subsection 10, if the board of trustees approves an empowerment plan, the president of the board of trustees, the principal of the public school and the chairman of the empowerment team, if the principal is not the chairman, shall each sign the plan. The empowerment plan is effective for 3 years unless the empowerment team determines that the school will no longer operate under the plan or the board of trustees of the school district revokes the plan.

4. ~~##~~ Except as otherwise provided in subsection 10, if the board of trustees denies an empowerment plan, the board of trustees shall:

(a) Return the plan to the empowerment team with a written statement indicating the reason for the denial; and

(b) Provide the empowerment team with a reasonable opportunity to correct any deficiencies identified in the written statement and resubmit it for approval. An empowerment plan may be resubmitted not more than once in a school year.

5. ~~4.4.~~ Except as otherwise provided in subsection 10, an empowerment plan for a public school is not effective and a public school shall not operate as an empowerment school unless the plan is signed by the president of the board of trustees of the school district, the principal of the public school and the chairman of the empowerment team, if the principal is not the chairman. If an empowerment plan includes a request for a waiver from a statute contained in this title or a regulation of the State Board or the Department, a public school may operate under the approved plan but the requested waivers from state law are not effective unless approved by the State Board pursuant to subsection 7.

6. ~~The~~ Except as otherwise provided in subsection 10, the empowerment team may submit a written request to the board of trustees for an amendment to the empowerment plan approved pursuant to this section, including an explanation of the reason for the amendment. An amendment must be approved in the same manner as the empowerment plan was approved.

7. If the empowerment plan includes a request for a waiver from a statute or regulation, the board of trustees shall forward the approved empowerment plan to the State Board for review of the request for a waiver. The State Board shall review the empowerment plan and may approve or deny the request for a waiver from a statute or regulation unless the statute or regulation is required by federal law or is required to carry out federal law.

8. If the State Board approves the request for a waiver for a school, the Department shall provide written notice of the approval to the board of trustees of the school district that submitted the empowerment plan on behalf of the school.

9. If the State Board denies a request for a waiver, the State Board shall:
(a) Return the request to the school district with a written statement indicating the reason for the denial; and

(b) ~~Provide~~ Except as otherwise provided in subsection 10, provide the empowerment team with a reasonable opportunity to correct any deficiencies identified in the written statement and resubmit it for approval. A request for a waiver may be resubmitted by the school district, after the empowerment team corrects any deficiencies, not more than once in a school year.

10. If an empowerment team has not been established pursuant to the exception provided in subsection 2 of section 5 of this act, the principal of the school shall carry out the responsibilities and duties assigned to the empowerment team pursuant to this section.

Sec. 6.5. 1. ~~The~~ Except as otherwise provided in subsection 7, the empowerment team of a charter school that is sponsored by the State Board which develops an empowerment plan pursuant to section 6 of this act shall submit the proposed plan to the Department for transmission to the State Board for review and approval pursuant to this section.

2. *The State Board shall review each proposed empowerment plan and approve or deny the plan, including a request for a waiver from a statute contained in this title or a regulation of the State Board or the Department, if applicable. The approval or denial of an empowerment plan must be based solely upon the contents of the plan and may not consider the amount of money required to carry out the empowerment plan if the plan is within the limits of the total apportionment to the charter school pursuant to subsection 4 of section 6 of this act.*

3. ~~4.1~~ Except as otherwise provided in subsection 7, if the State Board approves an empowerment plan, the President of the State Board, the principal of the charter school and the chairman of the empowerment team, if the principal is not the chairman, shall each sign the plan. The empowerment plan is effective for 3 years unless the empowerment team determines that the school will no longer operate under the plan or the State Board revokes the plan.

4. ~~4.2~~ Except as otherwise provided in subsection 7, if the State Board denies an empowerment plan, the State Board shall:

(a) *Return the plan to the empowerment team with a written statement indicating the reason for the denial; and*

(b) *Provide the empowerment team with a reasonable opportunity to correct any deficiencies identified in the written statement and resubmit it for approval. An empowerment plan may be resubmitted not more than once in a school year.*

5. ~~4.3~~ Except as otherwise provided in subsection 7, an empowerment plan for a charter school that is sponsored by the State Board is not effective and a charter school shall not operate as an empowerment school unless the plan is signed by the President of the State Board, the principal of the charter school and the chairman of the empowerment team, if the principal is not the chairman.

6. ~~4.4~~ Except as otherwise provided in subsection 7, the empowerment team may submit a written request to the Department for an amendment to the empowerment plan approved pursuant to this section, including an explanation of the reason for the amendment. An amendment must be approved in the same manner as the empowerment plan was approved.

7. If an empowerment team has not been established pursuant to the exception provided in subsection 2 of section 5 of this act, the principal of the school shall carry out the responsibilities and duties assigned to the empowerment team pursuant to this section.

Sec. 6.7. 1. *Each empowerment school, other than a charter school that is sponsored by the State Board, shall, on a quarterly basis, submit to the board of trustees of the school district in which the school is located a report that includes:*

(a) *The financial status of the school; and*

(b) *A description of the school's compliance with each component of the empowerment plan for the school.*

2. *Each charter school that is sponsored by the State Board which is approved to operate as an empowerment school shall, on a quarterly basis, submit to the Department a report that includes:*

- (a) The financial status of the school; and*
- (b) A description of the school's compliance with each component of the empowerment plan for the school.*

3. *The board of trustees of a school district shall conduct a financial audit of each empowerment school within the school district, other than a charter school that is sponsored by the State Board. Each financial audit must be conducted on an annual basis and more frequently if determined necessary by the board of trustees.*

4. *The Department shall conduct a financial audit of each charter school that is sponsored by the State Board which operates as an empowerment school on an annual basis and more frequently if determined necessary by the Department.*

5. *On or before July 1 of each year, the board of trustees of each school district shall compile the reports and audits required pursuant to subsections 1 and 3, if any, and forward the compilation to the:*

- (a) Governor;*
- (b) Department; and*
- (c) Legislative Committee on Education.*

6. *On or before July 1 of each year, the Department shall compile the reports and audits required pursuant to subsections 2 and 4, if any, and forward the compilation to the:*

- (a) Governor; and*
- (b) Legislative Committee on Education.*

Sec. 7. (Deleted by amendment.)

Sec. 8. 1. *Except as otherwise provided pursuant to a waiver granted in accordance with section 6.3 or 6.5 of this act, each empowerment school, each person employed by an empowerment school and each pupil enrolled in an empowerment school shall comply with the applicable requirements of state law, including, without limitation, the standards of content and performance prescribed pursuant to NRS 389.520 and the examinations that are administered pursuant to NRS 389.015 and 389.550.*

2. *Each empowerment school may accept gifts, grants and donations from any source for the support of its empowerment plan. A person who gives a gift, grant or donation may designate all or part of the gift, grant or donation specifically to carry out the incentive pay structure of the school, if applicable.*

Sec. 9. (Deleted by amendment.)

Sec. 10. *The State Board may adopt regulations to carry out the provisions of sections 2 to 10, inclusive, of this act.*

Sec. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

Sec. 18.5. For the purpose of complying with the provisions of paragraph (b) of subsection 2 of section 3 of this act, the Clark County School District may, in calculating the number of schools that must be approved to operate as empowerment schools, include the four public schools that operated as empowerment schools during the 2006-2007 school year if those schools continue to operate as empowerment schools for the 2007-2008 school year and the 2008-2009 school year.

Sec. 19. The amount of money available from legislative authorization for the 2007-2009 biennium for empowerment programs and the operation of empowerment schools is limited to the amount specifically designated for that purpose in subsection 5 of section 26 of Assembly Bill No. 627 of this session.

~~{Sec. 19.}~~ Sec. 20. This act becomes effective on July 1, 2007, and expires by limitation on June 30, 2011.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 141.

Bill read third time.

Remarks by Senators Care and Nolan.

Senator Nolan requested that the following remarks be entered in the Journal.

SENATOR CARE:

Mr. President, given the hour and the merit of the bill, I think for purposes of legislative intent, we all mean that the person is someone who has personal first-hand knowledge and is one of the people listed in the bill, which is the body shop operator, the tow-truck driver, etc.

SENATOR NOLAN:

That is the intent.

Roll call on Assembly Bill No. 141:

YEAS—21.

NAYS—None.

Assembly Bill No. 141 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

SPECIAL ORDERS OF THE DAY
VETO MESSAGES OF THE GOVERNOR

The hour of 12:30 p.m. having arrived, Vetoed Senate Bills Nos. 66 and 567 of the 74th Session were considered.

Vetoed Senate Bill No. 66 of the 74th Session was considered.

Bill read.

Governor's message stating his objections read.

MESSAGES FROM THE GOVERNOR
STATE OF NEVADA
EXECUTIVE CHAMBER
CARSON CITY, NEVADA 89701

May 30, 2007

THE HONORABLE SENATOR WILLIAM J. RAGGIO, *Majority Leader*,
Legislative Building, Carson City, Nevada 89701

DEAR SENATOR RAGGIO:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Senate Bill 66, which is entitled:

"AN ACT relating to civil actions; increasing the amount of damages that may be awarded in certain tort actions brought against a governmental entity or its officers or employees; and providing other matters properly relating thereto."

Senate Bill 66 would increase the amount of damages awardable in a tort action brought against a governmental entity from \$50,000 to \$100,000. Although the tort cap has not been increased since 1979 and some type of increase is undoubtedly appropriate, increasing the tort cap by 100% is unnecessarily burdensome and fiscally harmful to governmental entities. The harm would be particularly severe in our rural counties and municipalities, where government resources are already stretched thin. Governmental entities, if subjected to an increased tort cap, need adequate time to prepare for the absorption of the increased financial burden. Doubling the tort cap overnight does not provide a reasonable amount of time for such preparation, and could well lead to hasty attempts to raise needed revenue by unacceptable tax increases. Should the Legislature send me a bill that increases the tort cap in a less mercurial fashion, I would consider signing such a bill into law. However, Senate Bill 66 is too much, too soon.

For all of these reasons, I hereby exercise my constitutional grant of authority and veto Senate Bill 66.

Sincerely,
JIM GIBBONS
Governor of Nevada

The question was put: "Shall the bill pass, notwithstanding objections of the Governor?"

Remarks by Senator Care.

The roll was called, and the Senate sustained the veto of the Governor by the following vote:

Roll call on Senate Bill No. 66 of the 74th Session:

YEAS—8.

NAYS—Amodei, Beers, Cegavske, Hardy, Heck, Lee, McGinness, Nolan, Raggio, Rhoads, Schneider, Townsend, Washington—13.

Vetoed Senate Bill No. 567 of the 74th Session was considered.

Bill read.

Governor's message stating his objections read.

MESSAGES FROM THE GOVERNOR
STATE OF NEVADA
EXECUTIVE CHAMBER
CARSON CITY, NEVADA 89701

May 14, 2007

THE HONORABLE SENATOR WILLIAM J. RAGGIO, *Majority Leader*,
Legislative Building, Carson City, Nevada 89701

DEAR SENATOR RAGGIO:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Senate Bill 567, which is entitled:

"AN ACT relating to taxation; suspending all state action relating to tax exemptions applicable to energy efficient buildings; and providing other matters properly relating thereto."

Senate Bill 567 purports to suspend certain tax exemptions and abatements created by Assembly Bill 3 (22nd Legislative Special Session) in 2005. I appreciate the Legislature's concern that the tax exemptions and abatements created by Assembly Bill 3 (22nd Legislative Special Session) may have had and may continue to have unanticipated fiscal impacts on state and local revenue. Providing tax incentives to encourage environmentally friendly construction is basically sound policy. However, as a matter of fundamental fairness to Nevada taxpayers, any efforts to amend the exemptions and abatements set forth in Assembly Bill 3 (22nd Legislative Special Session) should be carefully considered, and at a minimum should allow for public hearings where taxpayer concerns can be discussed and debated and the long-term fiscal impact of any tax exemptions or abatements can be carefully analyzed. To date, those hearings have not occurred.

I also appreciate that the Legislature apparently intends to pass further legislation this session in order to address the unanticipated consequences of Assembly Bill 3 (22nd Legislative Special Session), and that the Legislature is concerned that without Senate Bill 567 there will be a surge by taxpayers to obtain tax exemptions or abatements before the current law is changed. In order to meet that concern, today I signed an Executive Order temporarily suspending the processing of applications for certificates of tax exemptions and abatements by the Tax Commission, the Department of Taxation, the Commission on Economic Development and the Office of Energy. My Executive Order will alleviate these concerns and will place taxpayers on notice that the Legislature will be considering changes to current law. I urge the Legislature to carefully consider the impacts on Nevada should any changes be made to existing law, and to come forward with a fair, reasonable and well-defined solution.

For all of these reasons, I hereby exercise my constitutional grant of authority and veto Senate Bill 567.

Sincerely,
JIM GIBBONS
Governor of Nevada

The question was put: "Shall the bill pass, notwithstanding objections of the Governor?"

The roll was called, and the Senate sustained the veto of the Governor by the following vote:

Roll call on Senate Bill No. 567 of the 74th Session:

YEAS—4.

NAYS—Amodei, Beers, Care, Cegavske, Coffin, Hardy, Heck, Horsford, Lee, McGinness, Nolan, Raggio, Rhoads, Schneider, Townsend, Washington, Woodhouse—17.

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 331.

The following Assembly amendment was read:

Amendment No. 1117.

"SUMMARY—Makes various changes concerning ~~[the support of]~~ research and other activities concerning solid waste. (BDR 40-318)"

"AN ACT relating to natural resources; revising provisions concerning the use of certain money in the Solid Waste Management Account; requiring the Division of Environmental Protection of the State Department of Conservation and Natural Resources to ~~[make grants to]~~ encourage the Nevada System of Higher Education ~~[for the support of]~~ to research and ~~[other activities relating to]~~ develop methods for the reduction, reclamation and conversion of solid waste; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Under existing law, the proceeds from: (1) civil penalties for violations of certain laws concerning the management and disposal of solid waste; (2) damages recovered from persons or municipalities that violate those laws; and (3) the \$1 recycling fee that is collected on each new tire sold are deposited in the Solid Waste Management Account. (NRS 444.596, 444.598, 444A.090) The money in the Account is then allocated among the State Department of Conservation and Natural Resources and the various solid waste management authorities to be used for solid waste management and public education. (NRS 444.616) Under existing law, the Department is required to transfer a portion of the money it receives to the Division of Environmental Protection of the Department to use for public education. ~~[]~~ concerning the State's plan for solid waste management. Section 1 of this bill authorizes the Division to use this money to also support other activities that encourage the reduction of solid waste.

Under existing law, the Division is required to establish, sponsor, assist or otherwise conduct various programs and other activities that encourage the reduction of waste and litter. (NRS 444A.110) The Division conducts some of those activities on its own and others in conjunction with local governments, educational institutions and other state agencies. Section 2 of this bill expands the number of those activities to include ~~[making grants to]~~ encouraging the Nevada System of Higher Education ~~[for the support of]~~ to research ~~[relating to]~~ and develop methods for the reduction, reclamation and conversion of solid waste. ~~[]~~ , including encouraging the Nevada System of Higher Education to seek money from public and private sources for that purpose.

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

Section 1. NRS 444.616 is hereby amended to read as follows:

444.616 1. The State Controller shall allocate and remit, on a quarterly basis, the money in the Solid Waste Management Account as follows:

(a) To the Department of Taxation, 0.5 percent.

(b) To the State Department of Conservation and Natural Resources, 44.5 percent.

(c) To the district board of health of the health district which has the largest population in this State, 30 percent.

(d) To the district board of health of the health district which has the second largest population in this State, 25 percent.

➡ If more than two health districts are created within this State, the State Department of Conservation and Natural Resources shall transfer to the district boards of health of those additional districts an amount determined by the Department to be necessary to carry out the health district's duties pursuant to NRS 444.440 to 444.620, inclusive. If less than two health districts are created within this State, the amount otherwise allocated to a health district must be allocated to the State Department of Conservation and Natural Resources.

2. The money allocated pursuant to subsection 1 to the State Department of Conservation and Natural Resources and the district boards of health must be used for solid waste management in accordance with NRS 444.440 to 444.620, inclusive.

3. The State Department of Conservation and Natural Resources shall transfer to the Division of Environmental Protection of that Department a portion of the money it receives pursuant to this section it deems necessary for use in educating the public concerning the objectives and functioning of the State's plan for solid waste management ~~for~~ and the purposes set forth in NRS 444A.110.

Sec. 2. NRS 444A.110 is hereby amended to read as follows:

444A.110 1. The Division shall develop a program of public education to provide information, increase public awareness of the individual responsibility of properly disposing of solid waste and encouraging public participation in recycling, reuse and waste reduction. The program must be designed in accordance with the plans to provide for a solid waste management system approved pursuant to NRS 444.510 to communicate the importance of conserving natural resources, in addition to the importance of protecting public health and the environment. The program must include promotion of the private and public efforts to accomplish conservation, recovery and reuse.

2. The Division shall encourage the reduction of waste and litter by:

(a) Providing, upon request, advice to persons regarding techniques to reduce waste and general information on recycling.

(b) Establishing a computer database to process related information.

(c) Establishing a toll-free telephone line to assist in the dissemination of information.

(d) Sponsoring or cosponsoring technical workshops and seminars on waste reduction.

(e) Assisting local programs for the research and development of plans to reduce waste.

(f) Coordinating the dissemination of publications on waste reduction, regardless of the source of those publications.

(g) Assisting in the development and promotion of programs of continuing education for educators and administrators to enable them to teach and encourage methods of waste reduction.

(h) Developing an emblem to signify and advertise the efforts in Nevada to encourage recycling.

(i) Recommending to educational institutions courses and curricula relating to recycling and the reduction of waste.

(j) Assisting state agencies, upon request, to develop and carry out programs for recycling within state buildings.

(k) ~~Making grants to~~ Encouraging the Nevada System of Higher Education for the support of ~~to research and development concerning~~ develop methods for the reduction, reclamation and conversion of solid waste ~~for~~, including, without limitation, encouraging the Nevada System of Higher Education to seek money from public and private sources for that purpose.

3. The Division shall coordinate the technical assistance available from the various state agencies. The Administrator of the Division shall prepare and deliver biennial reports to the Governor regarding the progress of the program.

4. The Division may award grants to municipalities, educational institutions and nonprofit organizations for projects that enhance solid waste management systems and promote the efficient use of resources. The Division shall consult a solid waste management authority before awarding a grant for a project within the jurisdiction of that solid waste management authority.

5. The State Environmental Commission shall adopt regulations governing the administration of grants awarded pursuant to subsection 4.

6. As used in this section, unless the context otherwise requires, "Division" means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

Sec. 3. This act becomes effective on July 1, 2007.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 331.

Remarks by Senator Raggio.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 341.

The following Assembly amendment was read:

Amendment No. 1130.

"SUMMARY—Makes supplemental appropriations to the Office of the Attorney General. (BDR S-1243)"

"AN ACT making supplemental appropriations to the Office of the Attorney General; and providing other matters properly relating thereto."

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

Section 1. 1. There is hereby appropriated from the State General Fund to the Office of the Attorney General's administration account the sum of \$685,979 for a cost allocation posting error in the amount of \$482,979, and a shortfall in revenue received from boards and commissions in the amount of \$203,000. This appropriation is supplemental to that made by section 4 of chapter 434, Statutes of Nevada 2005, at page 1936.

2. There is hereby appropriated from the State General Fund to the Office of the Attorney General's special litigation account the sum of ~~[\$200,000]~~ \$60,000 for costs relating to Yucca Mountain nuclear waste litigation. This appropriation is supplemental to that made by section 4 of chapter 434, Statutes of Nevada 2005, at page 1936.

3. There is hereby appropriated from the State General Fund to the Office of the Extradition Coordinator in the Office of the Attorney General the sum of \$227,386 to replenish Fiscal Year 2006-2007 extradition funds used in 2006, and to supplement funds for Fiscal Year 2006-2007 due to increased extradition costs. This appropriation is supplemental to that made by section 4 of chapter 434, Statutes of Nevada 2005, at page 1936.

Sec. 2. This act becomes effective upon passage and approval.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 341.

Remarks by Senator Raggio.

Motion carried by a constitutional majority, Mr. President declared it passed.

Bill ordered enrolled.

RECEDE FROM SENATE AMENDMENTS

Senator Raggio moved that the Senate do not recede from its action on Assembly Bill No. 246, that a conference be requested, and that Mr. President appoint a first Conference Committee consisting of three members to meet with a like committee of the Assembly.

Remarks by Senator Raggio.

Motion carried.

Bill ordered transmitted to the Assembly.

APPOINTMENT OF CONFERENCE COMMITTEES

President Krolicki appointed Senators Rhoads, Coffin and Cegavske as a first Conference Committee to meet with a like committee of the Assembly for the further consideration of Assembly Bill No. 246.

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 129, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 671 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 27, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes to provisions relating to guardianships. (BDR 13-1109)"

"AN ACT relating to guardianships; extending the time in which certain information must be provided to the court for the appointment of a guardian; revising the provisions relating to the extension of temporary guardianships; revising the information that must be set forth in a petition to appoint a temporary guardian for certain wards; revising provisions relating to petitions by guardians to the court; revising provisions relating to the treatment or commitment of a ward; extending the time in which a guardian must wind up the affairs of the guardianship; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill extends the time in which information required in a petition for the appointment of a guardian must be provided to the court after the appointment of the guardian, if the information was not initially included in the petition, from 60 days to 120 days. (NRS 159.044)

Section 2 of this bill revises existing law by providing that a petition which seeks to appoint a temporary guardian for a ward who is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention may be granted by a court if the court finds reasonable cause to believe that the proposed ward is unable to respond to such harm or to a need for medical attention rather than reasonable cause to believe that the proposed ward may suffer such harm or actually needs medical attention. (NRS 159.052) Section 4 of this bill revises existing law by providing that a petition which seeks to appoint a guardian for a ward who is unable to respond to a substantial and immediate risk of financial loss must set forth facts showing that the proposed ward is unable to respond to such risk rather than facts showing that the proposed ward actually faces such risk. (NRS 159.0525) Sections 2-4 also eliminate the restriction that a court may not extend a temporary guardianship for more than two 30-day periods, and instead allow the court to extend a temporary guardianship for not more than ~~three~~ two successive 60-day periods. Sections 2-4, however, prohibit the court from causing the temporary guardianship to continue longer than ~~7~~ 5 months unless there is a showing of extraordinary circumstances.

Existing law requires a guardian to petition the court for an order authorizing the guardian to change the designation of a beneficiary in a will, trust, insurance policy, bank account or any other type of asset of the ward which includes the designation of a beneficiary. (NRS 159.078) Section 5 of this bill provides circumstances under which a guardian is not required to petition the court for an order allowing the guardian to utilize such assets.

Existing law provides that a guardian must obtain authority from the court before consenting to the commitment of a ward to a mental health facility. (NRS 159.0805) Section 6 of this bill removes the requirement that a guardian must obtain such authority to consent to the commitment of a ward to a mental health facility.

Section 7 of this bill provides that a guardian is not required to petition the court for authority before obtaining advice, instructions and approval of any proposed act of the guardian relating to the ward's property or taking any other action which the guardian deems would be in the best interests of the ward, unless otherwise ordered by the court. (NRS 159.113)

Existing law establishes the times during which a guardian is entitled to possession of the ward's property and is authorized to perform his duties to wind up the affairs of the guardianship. (NRS 159.193) Section 8 of this bill extends the time during which a guardian retains such authority after a personal representative of the estate of a deceased ward is appointed or if the guardian is awaiting certification acknowledging that he has no further tax liabilities on the ward's estate, from 90 days to 180 days.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 159.044 is hereby amended to read as follows:

159.044 1. Except as otherwise provided in NRS 127.045, a proposed ward, a governmental agency, a nonprofit corporation or any interested person may petition the court for the appointment of a guardian.

2. To the extent the petitioner knows or reasonably may ascertain or obtain, the petition must include, without limitation:

(a) The name and address of the petitioner.

(b) The name, date of birth and current address of the proposed ward.

(c) A copy of one of the following forms of identification of the proposed ward which must be placed in the records relating to the guardianship proceeding and, except as otherwise required to carry out a specific statute, maintained in a confidential manner:

(1) A social security number;

(2) A taxpayer identification number;

(3) A valid driver's license number;

(4) A valid identification card number; or

(5) A valid passport number.

➤ If the information required pursuant to this paragraph is not included with the petition, the information must be provided to the court not later than ~~60~~ 120 days after the appointment of a guardian or as otherwise ordered by the court.

(d) If the proposed ward is a minor, the date on which he will attain the age of majority and:

(1) Whether there is a current order concerning custody and, if so, the state in which the order was issued; and

(2) Whether the petitioner anticipates that the proposed ward will need guardianship after attaining the age of majority.

(e) Whether the proposed ward is a resident or nonresident of this State.

(f) The names and addresses of the spouse of the proposed ward and the relatives of the proposed ward who are within the second degree of consanguinity.

(g) The name, date of birth and current address of the proposed guardian. If the proposed guardian is a private professional guardian, the petition must include proof that the guardian meets the requirements of NRS 159.0595. If the proposed guardian is not a private professional guardian, the petition must include a statement that the guardian currently is not receiving compensation for services as a guardian to more than one ward who is not related to the person by blood or marriage.

(h) A copy of one of the following forms of identification of the proposed guardian which must be placed in the records relating to the guardianship proceeding and, except as otherwise required to carry out a specific statute, maintained in a confidential manner:

(1) A social security number;

(2) A taxpayer identification number;

(3) A valid driver's license number;

(4) A valid identification card number; or

(5) A valid passport number.

(i) Whether the proposed guardian has ever been convicted of a felony and, if so, information concerning the crime for which he was convicted and whether the proposed guardian was placed on probation or parole.

(j) A summary of the reasons why a guardian is needed and recent documentation demonstrating the need for a guardianship. The documentation may include, without limitation:

(1) A certificate signed by a physician who is licensed to practice medicine in this State stating the need for a guardian;

(2) A letter signed by any governmental agency in this State which conducts investigations stating the need for a guardian; or

(3) A certificate signed by any other person whom the court finds qualified to execute a certificate stating the need for a guardian.

(k) Whether the appointment of a general or a special guardian is sought.

(l) A general description and the probable value of the property of the proposed ward and any income to which the proposed ward is or will be entitled, if the petition is for the appointment of a guardian of the estate or a special guardian. If any money is paid or is payable to the proposed ward by the United States through the Department of Veterans Affairs, the petition must so state.

(m) The name and address of any person or care provider having the care, custody or control of the proposed ward.

(n) The relationship, if any, of the petitioner to the proposed ward and the interest, if any, of the petitioner in the appointment.

(o) Requests for any of the specific powers set forth in NRS 159.117 to 159.175, inclusive, necessary to enable the guardian to carry out the duties of the guardianship.

(p) Whether the guardianship is sought as the result of an investigation of a report of abuse or neglect that is conducted pursuant to chapter 432B of NRS by an agency which provides child welfare services. As used in this paragraph, "agency which provides child welfare services" has the meaning ascribed to it in NRS 432B.030.

(q) Whether the proposed ward is a party to any pending criminal or civil litigation.

(r) Whether the guardianship is sought for the purpose of initiating litigation.

(s) Whether the proposed ward has executed a durable power of attorney for health care, a durable power of attorney for financial matters or a written nomination of guardian and, if so, who the named agents are for each document.

Sec. 2. NRS 159.052 is hereby amended to read as follows:

159.052 1. A petitioner may request the court to appoint a temporary guardian for a ward who is a minor and who is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention. To support the request, the petitioner must set forth in a petition and present to the court under oath:

(a) Facts which show that the proposed ward faces a substantial and immediate risk of physical harm or needs immediate medical attention; and

(b) Facts which show that:

(1) The petitioner has tried in good faith to notify the persons entitled to notice pursuant to NRS 159.047 by telephone or in writing before the filing of the petition;

(2) The proposed ward would be exposed to an immediate risk of physical harm if the petitioner were to provide notice to the persons entitled to notice pursuant to NRS 159.047 before the court determines whether to appoint a temporary guardian; or

(3) Giving notice to the persons entitled to notice pursuant to NRS 159.047 is not feasible under the circumstances.

2. The court may appoint a temporary guardian to serve for 10 days if the court:

(a) Finds reasonable cause to believe that the proposed ward ~~(may suffer)~~ *is unable to respond to a substantial and immediate risk of physical harm or (needs) to a need for immediate medical attention; and*

(b) Is satisfied that the petitioner has tried in good faith to notify the persons entitled to notice pursuant to NRS 159.047 or that giving notice to those persons is not feasible under the circumstances, or determines that such notice is not required pursuant to subparagraph (2) of paragraph (b) of subsection 1.

3. Except as otherwise provided in subsection 4, after the appointment of a temporary guardian, the petitioner shall attempt in good faith to notify the persons entitled to notice pursuant to NRS 159.047, including, without limitation, notice of any hearing to extend the temporary guardianship. If the petitioner fails to make such an effort, the court may terminate the temporary guardianship.

4. If, before the appointment of a temporary guardian, the court determined that advance notice was not required pursuant to subparagraph (2) of paragraph (b) of subsection 1, the petitioner shall notify the persons entitled to notice pursuant to NRS 159.047 without undue delay, but not later than 48 hours after the appointment of the temporary guardian or not later than 48 hours after the petitioner discovers the existence, identity and location of the persons entitled to notice pursuant to that section. If the petitioner fails to provide such notice, the court may terminate the temporary guardianship.

5. Not later than 10 days after the date of the appointment of a temporary guardian pursuant to subsection 2, the court shall hold a hearing to determine the need to extend the temporary guardianship. Except as otherwise provided in subsections 7 and 8, if the court finds by clear and convincing evidence that the proposed ward is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention, the court may extend the temporary guardianship until a general or special guardian is appointed, but not for more than 30 days.

6. If the court appoints a temporary guardian or extends the temporary guardianship pursuant to this section, the court shall limit the powers of the temporary guardian to those necessary to respond to the substantial and immediate risk of physical harm or to a need for immediate medical attention.

7. The court may not extend a temporary guardianship pursuant to subsection 5 beyond the initial period of 10 days unless the petitioner demonstrates that:

- (a) The provisions of NRS 159.0475 have been satisfied; or
- (b) Notice by publication pursuant to N.R.C.P. 4(e) is currently being undertaken.

8. In addition to any other extension granted pursuant to this section, the court may extend the temporary guardianship, for good cause shown, for not more than ~~two 30-day~~ ~~three~~ two successive 60-day periods ~~], except that the court shall not cause the temporary guardianship to continue longer than ~~four~~ 5 months unless extraordinary circumstances are shown.~~

Sec. 3. NRS 159.0523 is hereby amended to read as follows:

159.0523 1. A petitioner may request the court to appoint a temporary guardian for a ward who is an adult and who is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention. To support the request, the petitioner must set forth in a petition and present to the court under oath:

(a) Facts which show that the proposed ward:

(1) Faces a substantial and immediate risk of physical harm or needs immediate medical attention; and

(2) Lacks capacity to respond to the risk of harm or to obtain the necessary medical attention; and

(b) Facts which show that:

(1) The petitioner has tried in good faith to notify the persons entitled to notice pursuant to NRS 159.047 by telephone or in writing before the filing of the petition;

(2) The proposed ward would be exposed to an immediate risk of physical harm if the petitioner were to provide notice to the persons entitled to notice pursuant to NRS 159.047 before the court determines whether to appoint a temporary guardian; or

(3) Giving notice to the persons entitled to notice pursuant to NRS 159.047 is not feasible under the circumstances.

2. The court may appoint a temporary guardian to serve for 10 days if the court:

(a) Finds reasonable cause to believe that the proposed ward is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention;

(b) Is satisfied that the petitioner has tried in good faith to notify the persons entitled to notice pursuant to NRS 159.047 or that giving notice to those persons is not feasible under the circumstances, or determines that such notice is not required pursuant to subparagraph (2) of paragraph (b) of subsection 1; and

(c) Finds that the petition required pursuant to subsection 1 is accompanied by:

(1) A certificate signed by a physician who is licensed to practice in this State which states that the proposed ward is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention; or

(2) The affidavit of the petitioner which explains the reasons why the certificate described in subparagraph (1) is not immediately obtainable.

3. Except as otherwise provided in subsection 4, after the appointment of a temporary guardian, the petitioner shall attempt in good faith to notify the persons entitled to notice pursuant to NRS 159.047, including, without limitation, notice of any hearing to extend the temporary guardianship. If the petitioner fails to make such an effort, the court may terminate the temporary guardianship.

4. If, before the appointment of a temporary guardian, the court determined that advance notice was not required pursuant to subparagraph (2) of paragraph (b) of subsection 1, the petitioner shall notify the persons entitled to notice pursuant to NRS 159.047 without undue delay, but not later than 48 hours after the appointment of the temporary guardian or not later than 48 hours after the petitioner discovers the existence, identity and location of the persons entitled to notice pursuant to that section. If the petitioner fails to provide such notice, the court may terminate the temporary guardianship.

5. Not later than 10 days after the date of the appointment of a temporary guardian pursuant to subsection 2, the court shall hold a hearing to determine the need to extend the temporary guardianship. Except as otherwise provided in subsections 7 and 8, the court may extend the temporary guardianship until a general or special guardian is appointed, but not for more than 30 days, if:

(a) The certificate required by subsection 2 has been filed and the court finds by clear and convincing evidence that the proposed ward is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention; or

(b) The certificate required by subsection 2 has not been filed and the court finds by clear and convincing evidence that:

(1) The proposed ward is unable to respond to a substantial and immediate risk of physical harm or to a need for immediate medical attention;

(2) Circumstances have prevented the petitioner or temporary guardian from obtaining the certificate required pursuant to subsection 2; and

(3) The extension of the temporary guardianship is necessary and in the best interests of the proposed ward.

6. If the court appoints a temporary guardian or extends the temporary guardianship pursuant to this section, the court shall limit the powers of the temporary guardian to those necessary to respond to the substantial and immediate risk of physical harm or to a need for immediate medical attention.

7. The court may not extend a temporary guardianship pursuant to subsection 5 beyond the initial period of 10 days unless the petitioner demonstrates that:

(a) The provisions of NRS 159.0475 have been satisfied; or

(b) Notice by publication pursuant to N.R.C.P. 4(e) is currently being undertaken.

8. In addition to any other extension granted pursuant to this section, the court may extend the temporary guardianship, for good cause shown, for not more than ~~two 30-day~~ ~~three~~ two successive 60-day periods ~~+~~, *except that the court shall not cause the temporary guardianship to continue longer than ~~77~~ 5 months unless extraordinary circumstances are shown.*

Sec. 4. NRS 159.0525 is hereby amended to read as follows:

159.0525 1. A petitioner may request the court to appoint a temporary guardian for a ward who is unable to respond to a substantial and immediate risk of financial loss. To support the request, the petitioner must set forth in a petition and present to the court under oath:

(a) Facts which show that the proposed ward ~~+~~

~~(+) Faces~~ :

(1) *Is unable to respond* to a substantial and immediate risk of financial loss; and

(2) Lacks capacity to respond to the risk of loss; and

(b) Facts which show that:

(1) The petitioner has tried in good faith to notify the persons entitled to notice pursuant to NRS 159.047 by telephone or in writing before the filing of the petition;

(2) The proposed ward would be exposed to an immediate risk of financial loss if the petitioner were to provide notice to the persons entitled to notice pursuant to NRS 159.047 before the court determines whether to appoint a temporary guardian; or

(3) Giving notice to the persons entitled to notice pursuant to NRS 159.047 is not feasible under the circumstances.

2. The court may appoint a temporary guardian to serve for 10 days if the court:

(a) Finds reasonable cause to believe that the proposed ward is unable to respond to a substantial and immediate risk of financial loss;

(b) Is satisfied that the petitioner has tried in good faith to notify the persons entitled to notice pursuant to NRS 159.047 or that giving notice to those persons is not feasible under the circumstances, or determines that such notice is not required pursuant to subparagraph (2) of paragraph (b) of subsection 1; and

(c) For a proposed ward who is an adult, finds that the petition required pursuant to subsection 1 is accompanied by:

(1) A certificate signed by a physician who is licensed to practice in this State which states that the proposed ward is unable to respond to a substantial and immediate risk of financial loss; or

(2) The affidavit of the petitioner which explains the reasons why the certificate described in subparagraph (1) is not immediately obtainable.

3. Except as otherwise provided in subsection 4, after the appointment of a temporary guardian, the petitioner shall attempt in good faith to notify the persons entitled to notice pursuant to NRS 159.047, including, without limitation, notice of any hearing to extend the temporary guardianship. If the petitioner fails to make such an effort, the court may terminate the temporary guardianship.

4. If, before the appointment of a temporary guardian, the court determined that advance notice was not required pursuant to subparagraph (2) of paragraph (b) of subsection 1, the petitioner shall notify the persons entitled to notice pursuant to NRS 159.047 without undue delay, but not later than 48 hours after the appointment of the temporary guardian or not later than 48 hours after the petitioner discovers the existence, identity and location of the persons entitled to notice pursuant to that section. If the petitioner fails to provide such notice, the court may terminate the temporary guardianship.

5. Not later than 10 days after the date of the appointment of a temporary guardian pursuant to subsection 2, the court shall hold a hearing to determine the need to extend the temporary guardianship. Except as otherwise provided in subsections 7 and 8, if the proposed ward is a minor and the court finds by clear and convincing evidence that the proposed ward is unable to respond to a substantial and immediate risk of financial loss, the court may extend the temporary guardianship until a general or special guardian is appointed, but not for more than 30 days. Except as otherwise provided in subsection 7, if the proposed ward is an adult, the court may extend the temporary guardianship until a general or special guardian is appointed, but not for more than 30 days, if:

(a) The certificate required by subsection 2 has been filed and the court finds by clear and convincing evidence that the proposed ward is unable to respond to a substantial and immediate risk of financial loss; or

(b) The certificate required by subsection 2 has not been filed and the court finds by clear and convincing evidence that:

(1) The proposed ward is unable to respond to a substantial and immediate risk of financial loss;

(2) Circumstances have prevented the petitioner or temporary guardian from obtaining the certificate required pursuant to subsection 2; and

(3) The extension of the temporary guardianship is necessary and in the best interests of the proposed ward.

6. If the court appoints a temporary guardian or extends the temporary guardianship pursuant to this section, the court shall limit the powers of the temporary guardian to those necessary to respond to the substantial and immediate risk of financial loss.

7. The court may not extend a temporary guardianship pursuant to subsection 5 beyond the initial period of 10 days unless the petitioner demonstrates that:

(a) The provisions of NRS 159.0475 have been satisfied; or

(b) Notice by publication pursuant to N.R.C.P. 4(e) is currently being undertaken.

8. In addition to any other extension granted pursuant to this section, the court may extend the temporary guardianship, for good cause shown, for not more than ~~two 30-day~~ ~~three~~ two successive 60-day periods ~~+~~, except that the court shall not cause the temporary guardianship to continue longer than ~~77~~ 5 months unless extraordinary circumstances are shown.

Sec. 5. NRS 159.078 is hereby amended to read as follows:

159.078 1. Before taking any of the following actions, the guardian shall petition the court for an order authorizing the guardian to:

(a) Make or change the last will and testament of the ward.

(b) ~~Make~~ *Except as otherwise provided in this paragraph, make* or change the designation of a beneficiary in a will, trust, insurance policy, bank account or any other type of asset of the ward which includes the designation of a beneficiary. *The guardian is not required to petition the court for an order authorizing the guardian to utilize an asset which has a designated beneficiary, including the closure or discontinuance of the asset, for the benefit of a ward if:*

(1) The asset is the only liquid asset available with which to pay for the proper care, maintenance, education and support of the ward;

(2) *The asset, or the aggregate amount of all the assets if there is more than one type of asset, has a value that does not exceed \$5,000; or*

(3) *The asset is a bank account, investment fund or insurance policy and is required to be closed or discontinued in order for the ward to qualify for a federal program of public assistance.*

(c) Create for the benefit of the ward or others a revocable or irrevocable trust of the property of the estate.

(d) Except as otherwise provided in this paragraph, exercise the right of the ward to revoke or modify a revocable trust or to surrender the right to revoke or modify a revocable trust. The court shall not authorize or require the guardian to exercise the right to revoke or modify a revocable trust if the instrument governing the trust:

(1) Evidences an intent of the ward to reserve the right of revocation or modification exclusively to the ward;

(2) Provides expressly that a guardian may not revoke or modify the trust; or

(3) Otherwise evidences an intent that would be inconsistent with authorizing or requiring the guardian to exercise the right to revoke or modify the trust.

2. The court may authorize the guardian to take any action described in subsection 1 if, after notice to any person who is adversely affected by the proposed action and an opportunity for a hearing, the guardian proves by clear and convincing evidence that:

(a) A person has committed or is about to commit any act, practice or course of conduct which operates or would operate as a fraud or act of exploitation upon the ward or estate of the ward and that person:

(1) Is designated as a beneficiary in or otherwise stands to gain from an instrument which was executed by or on behalf of the ward; or

(2) Will benefit from the lack of such an instrument; and

(b) A reasonably prudent person or the ward, if competent, would take the proposed action.

3. The petition must be signed by the guardian and contain:

(a) The name, date of birth and current address of the ward;

(b) A concise statement as to the condition of the ward's estate; and

(c) A concise statement as to the necessity for the proposed action.

4. As used in this section:

(a) "Exploitation" means any act taken by a person who has the trust and confidence of a ward or any use of the power of attorney of a ward to:

(1) Obtain control, through deception, intimidation or undue influence, over the money, assets or property of the ward with the intention of permanently depriving the ward of the ownership, use, benefit or possession of the ward's money, assets or property.

(2) Convert money, assets or property of the ward with the intention of permanently depriving the ward of the ownership, use, benefit or possession of his money, assets or property.

➤ As used in this paragraph, "undue influence" does not include the normal influence that one member of a family has over another.

(b) "Fraud" means an intentional misrepresentation, deception or concealment of a material fact known to the person with the intent to deprive the ward of the ward's rights or property or to otherwise injure the ward.

Sec. 6. NRS 159.0805 is hereby amended to read as follows:

159.0805 1. Except as otherwise provided in subsection 2, a guardian shall not consent to:

(a) The experimental ~~[-]~~ medical, biomedical or behavioral treatment of a ward;

(b) The sterilization of a ward; or

(c) The participation of a ward in any biomedical or behavioral experiment. ~~[-or~~

~~(d) The commitment of a ward to a mental health facility.]~~

2. The guardian may consent to and commence any treatment ~~[-]~~ or experiment ~~[-or commitment]~~ described in subsection 1 if the guardian applies to and obtains from the court authority to consent to and commence the treatment ~~[-]~~ or experiment. ~~[-or commitment]~~

3. The court may authorize the guardian to consent to and commence any treatment ~~[-]~~ or experiment ~~[-or commitment]~~ described in subsection 1 only if the treatment ~~[-]~~ or experiment : ~~[-or commitment]~~

(a) Is of direct benefit to, and intended to preserve the life of or prevent serious impairment to the mental or physical health of, the ward; or

(b) Is intended to assist the ward to develop or regain the ward's abilities.

Sec. 7. NRS 159.113 is hereby amended to read as follows:

159.113 1. Before taking any of the following actions, the guardian shall petition the court for an order authorizing the guardian to:

(a) Invest the property of the ward ~~{-}~~ pursuant to NRS 159.117.

(b) Continue the business of the ward ~~{-}~~ pursuant to NRS 159.119.

(c) Borrow money for the ward ~~{-}~~ pursuant to NRS 159.121.

(d) Except as otherwise provided in NRS 159.079, enter into contracts for the ward or complete the performance of contracts of the ward ~~{-}~~ pursuant to NRS 159.123.

(e) Make gifts from the ward's estate or make expenditures for the ward's relatives ~~{-}~~ pursuant to NRS 159.125.

(f) Sell, lease ~~{-}~~ or place ~~{-}~~ ~~into any type of~~ in trust ~~{-}~~ ~~for surrender~~ any property of the ward ~~{-}~~ pursuant to NRS 159.127.

(g) Exchange or partition the ward's property ~~{-}~~.

~~(h) Obtain advice, instructions and approval of any other proposed act of the guardian relating to the ward's property.~~

~~{-}~~ pursuant to NRS 159.175.

~~(i)~~ Release the power of the ward as trustee, personal representative, custodian for a minor or guardian.

~~{-}~~ ~~(j)~~ Exercise or release the power of the ward as a donee of a power of appointment.

~~{-}~~ ~~(k)~~ Change the state of residence or domicile of the ward.

~~{-}~~ ~~(l)~~ Exercise the right of the ward to take under or against a will.

~~{-}~~ ~~(m)~~ Transfer to a trust created by the ward any property unintentionally omitted from the trust.

~~{-}~~ ~~(n)~~ Submit a revocable trust to the jurisdiction of the court if:

(1) The ward or the spouse of the ward, or both, are the grantors and sole beneficiaries of the income of the trust; or

(2) The trust was created by the court.

~~{-}~~ ~~(o) Take any other action which the guardian deems would be in the best interests of the ward.~~

2. *Before taking any of the following actions, unless the guardian has been otherwise ordered by the court to petition the court for permission to take specified actions or make specified decisions in addition to those described in subsection 1, the guardian may petition the court for an order authorizing the guardian to:*

(a) Obtain advice, instructions and approval of any other proposed act of the guardian relating to the ward's property.

(b) Take any other action which the guardian deems would be in the best interests of the ward.

3. The petition must be signed by the guardian and contain:

(a) The name, age, residence and address of the ward.

(b) A concise statement as to the condition of the ward's estate.

(c) A concise statement as to the advantage to the ward of or the necessity for the proposed action.

(d) The terms and conditions of any proposed sale, lease, partition, trust, exchange or investment, and a specific description of any property involved.

~~{-}~~ 4. Any of the matters set forth in subsection 1 may be consolidated in one petition, and the court may enter one order authorizing or directing the guardian to do one or more of those acts.

~~{-}~~ 5. A petition filed pursuant to paragraphs (b) and (d) of subsection 1 may be consolidated in and filed with the petition for the appointment of the guardian, and if the guardian is appointed, the court may enter additional orders authorizing the guardian to continue the business of the ward, enter contracts for the ward ~~{-}~~ or ~~{-}~~ complete contracts of the ward.

Sec. 8. NRS 159.193 is hereby amended to read as follows:

159.193 1. The guardian of the estate is entitled to possession of the ward's property and is authorized to perform the duties of the guardian to wind up the affairs of the guardianship:

- (a) For a period that is reasonable and necessary after the termination of the guardianship;
- (b) Except as otherwise provided in paragraph (c), for not more than ~~90~~ 180 days after the date of the appointment of a personal representative of the estate of a deceased ward; or
- (c) Upon approval of the court, for more than ~~90~~ 180 days if the guardian is awaiting certification from the appropriate authority acknowledging that the guardian has no further liability for taxes on the estate.

2. To wind up the affairs of the guardianship, the guardian shall:

- (a) Pay all expenses of administration of the guardianship estate, including those incurred in winding up the affairs of the guardianship.
- (b) Complete the performance of any contractual obligations incurred by the guardianship estate.
- (c) With prior approval of the court, continue any activity that:
 - (1) The guardian believes is appropriate and necessary; or
 - (2) Was commenced before the termination of the guardianship.
- (d) If the guardianship is terminated for a reason other than the death of the ward, examine and allow and pay, or reject, all claims presented to the guardian prior to the termination of the guardianship for obligations incurred prior to the termination.

Sec. 9. This act becomes effective on July 1, 2007.

TERRY CARE
DENNIS NOLAN
MIKE MCGINNESS

Senate Conference Committee

SUSAN GERHARDT
BERNIE ANDERSON
JOHN C. CARPENTER

Assembly Conference Committee

Senator Care moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 129.

Remarks by Senator Care.

Motion carried by a constitutional majority.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Heck moved that Senate Bill No. 354 be taken from Unfinished Business and placed on Unfinished Business on the third agenda.

Remarks by Senator Heck.

Motion carried.

UNFINISHED BUSINESS

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 483, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 837 of the Assembly be concurred in.

MARK E. AMODEI
TERRY CARE
MAURICE E. WASHINGTON

Senate Conference Committee

TICK SEGERBLOM
WILLIAM HORNE
GARN MABEY

Assembly Conference Committee

Senator Amodei moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 483.

Remarks by Senator Amodei.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 50, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 759 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 24, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes to provisions relating to peace officers. (BDR 23-146)"

"AN ACT relating to peace officers; requiring law enforcement agencies to adopt policies and procedures that provide for the acceptance of service of ~~any legal process on behalf of peace officers;~~ certain subpoenas; amending the exceptions that authorize the release of the home address of a peace officer by a law enforcement agency in certain circumstances; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill requires law enforcement agencies to adopt policies and procedures that provide for the acceptance of ~~service of any legal process;~~ certain subpoenas on behalf of peace officers.

Existing law provides that the home address of a peace officer is not public information and is confidential unless the peace officer authorizes the release of the address or has been arrested. (NRS 289.025) Section 2 of this bill authorizes the release of the home address of a peace officer to the public only if the officer has been arrested and the home address is included in a report of a 911 telephone call, a police report, a witness statement or certain reports relating to the custody of a child. (NRS 289.025)

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

Section 1. Chapter 289 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Each law enforcement agency shall adopt policies and procedures that provide for the orderly and safe acceptance of service of ~~any legal process that is;~~ certain subpoenas served on a peace officer employed by the law enforcement agency.*

2. ~~The policies and procedures required by subsection 1 must include, without limitation:~~

~~(a) At least one centralized location at which service of legal process will be accepted on behalf of peace officers;~~

~~(b) At least a 1 hour consecutive period on each workday when service of legal process will be accepted at any location specified pursuant to paragraph (a);~~

~~3. Each law enforcement agency shall:~~

~~(a) Post a copy of the policies and procedures adopted pursuant to subsection 1 in a conspicuous place at each location described in paragraph (a) of subsection 2; and~~

~~(b) Upon request, provide a copy of the policies and procedures adopted pursuant to subsection 1 to any member of the public.~~

~~4. Any legal process; A subpoena to be served upon a peace officer that is authorized to be served upon a law enforcement agency in accordance with the policies and procedures adopted pursuant to subsection 1 may be served in the manner provided by ~~the~~ those policies and procedures ~~adopted pursuant to subsection 1.~~~~

~~5. This section provides an additional manner of serving legal process, and does not affect the validity of any other valid service.~~

~~6. As used in this section, "legal process" means a subpoena, any civil or criminal process or any demand or notice authorized by law to be served upon a person.~~

Sec. 2. NRS 289.025 is hereby amended to read as follows:

289.025 1. Except as otherwise provided in ~~subsection 2;~~ subsections 2 and 3, the home address and any photograph of a peace officer in the possession of a law enforcement agency are not public information and are confidential.

2. The ~~home address and~~ photograph of a peace officer may be released:

(a) If the peace officer authorizes the release; or

(b) If the peace officer has been arrested.

3. *The home address of a peace officer may be released if a peace officer has been arrested and the home address is included in any of the following:*

(a) A report of a 911 telephone call.

(b) A police report, investigative report or complaint which a person filed with a law enforcement agency.

(c) A statement made by a witness.

(d) A report prepared pursuant to NRS 432B.540 by an agency which provides child welfare services, which report details a plan for the placement of a child.

Sec. 3. NRS 174.345 is hereby amended to read as follows:

174.345 1. Except as otherwise provided in NRS 174.315 and subsection 2, a subpoena may be served by a peace officer or by any other person who is not a party and who is not less than 18 years of age. ~~{Service}~~ Except as otherwise provided in section 1 of this act, service of a subpoena must be made by delivering a copy thereof to the person named.

2. Except as otherwise provided in NRS 174.315, a subpoena to attend a misdemeanor trial may be served by mailing the subpoena to the person to be served by registered or certified mail, return receipt requested from that person, in a sealed postpaid envelope, addressed to the person's last known address, not less than 10 days before the trial which the subpoena commands him to attend.

3. If a subpoena is served by mail, a certificate of the mailing must be filed with the court within 2 days after the subpoena is mailed.

Sec. 4. This act becomes effective upon passage and approval.

MARK E. AMODEI

VALERIE WIENER

TERRY CARE

Senate Conference Committee

MARCUS CONKLIN

SUSAN GERHARDT

CHAD CHRISTENSEN

Assembly Conference Committee

Senator Amodei moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 50.

Remarks by Senator Amodei.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 182, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 1056 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 22, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes concerning the Fund for a Healthy Nevada and certain programs administered by the Department of Health and Human Services. (BDR 40-158)"

"AN ACT relating to public health; authorizing the Department of Health and Human Services to administer certain programs to assist certain persons with costs relating to health care and pharmaceutical services; revising the percentages of and the manner of allocating money in the Fund for a Healthy Nevada for certain programs; revising provisions governing the subsidies from the Fund for the cost of prescription drugs, pharmaceutical services and certain other benefits; revising the membership and duties of the Grants Management Advisory Committee; repealing the Task Force for the Fund for a Healthy Nevada; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Under federal law, states may provide subsidies, prescription drugs and other assistance to persons with the human immunodeficiency virus or acquired immunodeficiency syndrome. (42 U.S.C. §§ 300ff-21 et seq.) Section 1 of this bill authorizes the Department of Health and Human Services to participate in the federal program and to administer the program in conjunction with other programs already administered by the Department.

Under existing law, the Task Force for the Fund for a Healthy Nevada makes allocations, or reserves for allocation or expenditure by the Department or the Aging Services Division of the Department, certain percentages of money in the Fund for a Healthy Nevada for certain programs and services. (NRS 439.630) Section 4 of this bill eliminates the role of the Task Force

in making allocations of money from the Fund and requires the Department to make such allocations itself. Section 4 also revises the amount of money prescribed for programs that prevent, reduce or treat the use of tobacco, for programs that improve the health and well-being of persons with disabilities and to subsidize certain costs of providing prescription drugs and pharmaceutical services to persons with disabilities.

Existing law establishes a program to provide subsidies for senior citizens and persons with disabilities for the cost of prescription drugs and pharmaceutical services and, for senior citizens, other benefits, including, without limitation, dental and vision benefits. (NRS 439.635-439.690, 439.705-439.795) Sections 4 and 5 of this bill specifically add, to the extent money is available, hearing aids and other hearing devices to the list of benefits available for both senior citizens and persons with disabilities pursuant to these programs. Sections 4 and 6 also make persons with disabilities eligible for the same additional benefits for which senior citizens are currently eligible under existing law, including, without limitation, dental and vision benefits. This bill also allows certain veterans to receive such benefits if they qualify as a senior citizen or person with a disability.

The Grants Management Advisory Committee provides assistance to the Department in the allocation and administration of certain grants administered by the Department. (NRS 232.383, 232.385) Section 9 of this bill increases the membership of the Advisory Committee.

Section 11 of this bill repeals the Task Force for the Fund for a Healthy Nevada.

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

Section 1. Chapter 439 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Department may, to the extent that money is available, administer a program pursuant to 42 U.S.C. §§ 300ff-21 et seq. to provide therapeutics to treat certain persons who have been diagnosed with the human immunodeficiency virus or acquired immunodeficiency syndrome and to prevent the serious deterioration of the health of such persons. The program may include the provision of subsidies and pharmaceutical services.*

2. *The Director shall:*

(a) *Establish the criteria for eligibility for participation in the program administered pursuant to this section, which must be in accordance with the provisions of 42 U.S.C. §§ 300ff-21 et seq.; and*

(b) *Prescribe the manner in which the program will be administered and services will be provided.*

3. *The Department may use any other program administered by the Department to facilitate the provision of subsidies and services pursuant to this section, including, without limitation, the provision of subsidies for pharmaceutical services to persons with disabilities pursuant to NRS 439.705 to 439.795, inclusive. If the Department uses another program to facilitate the provision of subsidies and services pursuant to this section, the Department shall not commingle the money available to carry out the provisions of this section and the money available to carry out the other program.*

4. *Money available to carry out the provisions of this section must be accounted for separately by the Department.*

Sec. 2. NRS 439.600 is hereby amended to read as follows:

439.600 1. The Legislature hereby declares that its priorities in expending the proceeds to the State of Nevada from settlement agreements with and civil actions against manufacturers of tobacco products are:

(a) To increase the number of Nevada students who attend and graduate from Nevada institutions of higher education; and

(b) To assist Nevada residents in obtaining and maintaining good health.

2. To further these priorities, the Legislature hereby declares that it is in the best interest of the residents of this State that all money received by the State of Nevada pursuant to any settlement entered into by the State of Nevada and a manufacturer of tobacco products and all money recovered by the State of Nevada from a judgment in a civil action against a manufacturer of tobacco products be dedicated solely toward the achievement of the following goals:

(a) Increasing the number of Nevada residents who enroll in and attend a university, college or community college in the State of Nevada;

(b) Reducing and preventing the use of tobacco products, alcohol and illegal drugs, especially by children;

(c) Expanding the availability of health insurance and health care for children and adults in this State, especially for children and for adults with disabilities;

(d) Assisting senior citizens *and persons with disabilities* who have modest incomes in purchasing prescription drugs, pharmaceutical services and, to the extent money is available, other services, including, without limitation, dental and vision services, *and hearing aids or other devices that enhance the ability to hear*, and assisting those senior citizens *and persons with disabilities* in meeting their needs related to health care, home care, respite care and their ability to live independent of institutional care; and

(e) Promoting the general health of all residents of the State of Nevada.

Sec. 3. NRS 439.620 is hereby amended to read as follows:

439.620 1. The Fund for a Healthy Nevada is hereby created in the State Treasury. The State Treasurer shall deposit in the Fund:

(a) Fifty percent of all money received by this State pursuant to any settlement entered into by the State of Nevada and a manufacturer of tobacco products; and

(b) Fifty percent of all money recovered by this State from a judgment in a civil action against a manufacturer of tobacco products.

2. The State Treasurer shall administer the Fund. As administrator of the Fund, the State Treasurer:

(a) Shall maintain the financial records of the Fund;

(b) Shall invest the money in the Fund as the money in other state funds is invested;

(c) Shall manage any account associated with the Fund;

(d) Shall maintain any instruments that evidence investments made with the money in the Fund;

(e) May contract with vendors for any good or service that is necessary to carry out the provisions of this section; and

(f) May perform any other duties necessary to administer the Fund.

3. The interest and income earned on the money in the Fund must, after deducting any applicable charges, be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.

4. ~~{Upon receiving a request from the}~~ The State Treasurer or the Department *may submit to the Interim Finance Committee a request* for an allocation for administrative expenses from the Fund pursuant to this section. ~~{the Task Force for the Fund for a Healthy Nevada shall consider the request within 45 days after receipt of the request. If the Task Force approves the amount requested for allocation, the Task Force shall notify the State Treasurer of the allocation. If the Task Force does not approve the requested allocation within 45 days after receipt of the request, the State Treasurer or the Department, as applicable, may submit its request for allocation to the Interim Finance Committee.}~~ Except as otherwise limited by this subsection, the Interim Finance Committee may allocate all or part of the money so requested. The annual allocation for administrative expenses from the Fund ~~{whether allocated by the Task Force or the Interim Finance Committee must not exceed}~~ *must*:

(a) Not ~~{more than}~~ exceed 2 percent of the money in the Fund, as calculated pursuant to this subsection, each year to pay the costs incurred by the State Treasurer to administer the Fund; *and*

(b) Not ~~{more than}~~ exceed ~~{2.025}~~ 5 percent of the money in the Fund, as calculated pursuant to this subsection, each year to pay the costs incurred by the Department, including, without limitation, the Aging Services Division of the Department, to carry out its duties set forth in NRS ~~{439.625 and}~~ 439.630, ~~{}~~

(c) Not more than 1.5 percent of the money in the Fund, as calculated pursuant to this subsection, each year to pay the costs incurred by the Department ~~{to administer the provisions of NRS 439.635 to 439.690, inclusive }~~, and

~~[(d) Not more than 0.125 percent of the money in the Fund, as calculated pursuant to this subsection, each year to pay the costs incurred by the Department to administer the provisions of] NRS 439.705 to 439.795, inclusive.~~

➤ For the purposes of this subsection, the amount of money available for allocation to pay for the administrative costs must be calculated at the beginning of each fiscal year based on the total amount of money anticipated by the State Treasurer to be deposited in the Fund during that fiscal year.

5. The money in the Fund remains in the Fund and does not revert to the State General Fund at the end of any fiscal year.

6. All money that is deposited or paid into the Fund is hereby appropriated to the Department ~~[and, except as otherwise provided in paragraphs (e) to (f), inclusive, and (j) of subsection 1 of NRS 439.630, may only be expended pursuant to an] for expenditure or allocation [made by the Task Force for the Fund for a Healthy Nevada.] in accordance with the provisions of NRS 439.630. Money expended from the Fund [for a Healthy Nevada] must not be used to supplant existing methods of funding that are available to public agencies.~~

Sec. 4. NRS 439.630 is hereby amended to read as follows:

439.630 1. The ~~[Task Force for the Fund for a Healthy Nevada]~~ Department shall:

(a) Conduct , *or require the Grants Management Advisory Committee created by NRS 232.383 to conduct*, public hearings to accept public testimony from a wide variety of sources and perspectives regarding existing or proposed programs that:

- (1) Promote public health;
- (2) Improve health services for children, senior citizens and persons with disabilities;
- (3) Reduce or prevent the use of tobacco;
- (4) Reduce or prevent the abuse of and addiction to alcohol and drugs; and
- (5) Offer other general or specific information on health care in this State.

(b) Establish a process to evaluate the health and health needs of the residents of this State and a system to rank the health problems of the residents of this State, including, without limitation, the specific health problems that are endemic to urban and rural communities ~~[(f)], and report the results of the evaluation to the Legislative Committee on Health Care on an annual basis.~~

(c) ~~[Reserve]~~ Allocate not more than 30 percent of ~~[all]~~ available revenues ~~[deposited in the Fund for a Healthy Nevada each year]~~ for direct expenditure by the Department to pay for prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits *and hearing aids or other devices that enhance the ability to hear*, for senior citizens pursuant to NRS 439.635 to 439.690, inclusive. From the money ~~[reserved to the Department]~~ allocated pursuant to this paragraph, the Department may subsidize any portion of the cost of providing prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits *and hearing aids or other devices that enhance the ability to hear*, to senior citizens pursuant to NRS 439.635 to 439.690, inclusive. The Department shall consider recommendations from the ~~[Task Force for the Fund for a Healthy Nevada] [Legislative Committee on Health Care]~~ *Grants Management Advisory Committee* in carrying out the provisions of NRS 439.635 to 439.690, inclusive. The Department shall submit a quarterly report to the Governor, ~~[the Task Force for the Fund for a Healthy Nevada and]~~ the Interim Finance Committee , *the Legislative Committee on Health Care and any other committees or commissions the Director deems appropriate* regarding the general manner in which expenditures have been made pursuant to this paragraph . ~~[and the status of the program.]~~

(d) ~~[Reserve]~~ Allocate, *by contract or grant, for expenditure* not more than 30 percent ~~[minus \$350,000 of all]~~ of available revenues ~~[deposited in the Fund for a Healthy Nevada each year]~~ for allocation by the Aging Services Division of the Department in the form of grants for existing or new programs that assist senior citizens with independent living, including, without limitation, programs that provide:

- (1) Respite care or relief of ~~[family]~~ informal caretakers;

(2) Transportation to new or existing services to assist senior citizens in living independently; and

(3) Care in the home which allows senior citizens to remain at home instead of in institutional care.

➤ The Aging Services Division of the Department shall consider recommendations from the ~~[Task Force for the Fund for a Healthy Nevada]~~ ~~[Legislative Committee on Health Care]~~ Grants Management Advisory Committee concerning the independent living needs of senior citizens.

(e) ~~[Reserve not more than]~~ Allocate \$200,000 of all revenues deposited in the Fund ~~[for a Healthy Nevada]~~ each year for ~~[allocation]~~ *direct expenditure* by the Director to:

(1) Provide guaranteed funding to finance assisted living facilities that satisfy the criteria for certification set forth in NRS 319.147; and

(2) Fund assisted living facilities that satisfy the criteria for certification set forth in NRS 319.147 and assisted living supportive services that are provided pursuant to the provisions of the home and community-based services waiver which are amended pursuant to NRS 422.2708.

➤ The Director shall develop policies and procedures for ~~[allocating money which is reserved]~~ *distributing the money allocated* pursuant to this paragraph. *Money allocated pursuant to this paragraph does not revert to the Fund at the end of the fiscal year.*

(f) ~~[Reserve \$150,000 of all revenues deposited in the Fund for a Healthy Nevada each year, if available, for allocation by the Aging Services Division of the Department in the form of contracts or grants for existing or new programs that provide dental benefits to persons who are domiciled in this State and are 62 years of age or older.]~~

~~(1) Who satisfy the residency requirement set forth in subsection 2 of NRS 439.665; and~~

~~(2) Whose incomes are not over the amounts set forth in subsection 2 of NRS 439.665, as adjusted pursuant to the provisions of that section.~~

~~(g)]~~ Allocate, by contract or grant, for expenditure not more than ~~(20)~~ 15 percent of ~~[all]~~ *available* revenues ~~[deposited in the Fund for a Healthy Nevada each year]~~ for programs that prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco.

~~[(h)]~~ (g) Allocate, by contract or grant, for expenditure not more than 10 percent of ~~[all]~~ *available* revenues ~~[deposited in the Fund for a Healthy Nevada each year]~~ for programs that improve health services for children.

~~[(i)]~~ (h) Allocate, by contract or grant, for expenditure not more than ~~(7.5)~~ 10 percent of ~~[all]~~ *available* revenues ~~[deposited in the Fund for a Healthy Nevada each year]~~ for programs that improve the health and well-being of persons with disabilities. In making allocations pursuant to this paragraph, the ~~[Task Force]~~ *Department* shall, to the extent practicable, allocate the money evenly among the following three types of programs:

(1) Programs that provide respite ~~[for persons caring]~~ *care or relief of informal caretakers* for persons with disabilities;

(2) Programs that provide positive behavioral supports to persons with disabilities; and

(3) Programs that assist persons with disabilities to live safely and independently in their communities outside of an institutional setting.

~~[(j) Reserve]~~

(i) Allocate not more than ~~(2.5)~~ 5 percent of ~~[all]~~ *available* revenues ~~[deposited in the Fund for a Healthy Nevada each year]~~ for direct expenditure by the Department to subsidize any portion of the cost of providing prescription drugs, ~~[and]~~ pharmaceutical services *and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear,* to persons with disabilities pursuant to NRS 439.705 to 439.795, inclusive. The Department shall consider recommendations from the ~~[Task Force for the Fund for a Healthy Nevada]~~ ~~[Legislative Committee on Health Care]~~ Grants Management Advisory Committee in carrying out the provisions of NRS 439.705 to 439.795, inclusive.

~~[(k)]~~ (j) Maximize expenditures through local, federal and private matching contributions.

~~[(l)]~~ (k) Ensure that any money expended from the Fund ~~[for a Healthy Nevada]~~ will not be used to supplant existing methods of funding that are available to public agencies.

~~[(m)]~~ (l) Develop policies and procedures for the administration and distribution of contracts, grants and other expenditures to state agencies, political subdivisions of this State, nonprofit organizations, universities, state colleges and community colleges. A condition of any such contract or grant must be that not more than 8 percent of the contract or grant may be used

for administrative expenses or other indirect costs. The procedures must require at least one competitive round of requests for proposals per biennium.

~~{(n)}~~ (m) To make the allocations required by paragraphs (f), (g) ~~{,}~~ and (h) ~~: and (i)}~~

(1) Prioritize and quantify ~~{Review and consider the prioritized list of}~~ the needs for these programs ~~: submitted by the Legislative Committee on Health Care pursuant to NRS 439B.220;~~

(2) Develop, solicit and accept applications for allocations;

(3) *Review and consider the recommendations of the Grants Management Advisory Committee submitted pursuant to NRS 232.385;*

(4) Conduct annual evaluations of programs to which allocations have been awarded; and

~~{(4)}~~ (5) Submit annual reports concerning the programs to the Governor, ~~and~~ the Interim Finance Committee ~~{,}~~, *the Legislative Committee on Health Care and any other committees or commissions the Director deems appropriate.*

~~{(n)}~~ (n) Transmit a report of all findings, recommendations and expenditures to the Governor, ~~and~~ each regular session of the Legislature ~~{,}~~, *the Legislative Committee on Health Care and any other committees or commissions the Director deems appropriate.*

2. The ~~{Task Force}~~ Department may take such other actions as are necessary to carry out its duties.

3. ~~{The Department shall take all actions necessary to ensure that all allocations for expenditures made by the Task Force are carried out as directed by the Task Force.}~~

~~4.}~~ To make the allocations required by ~~paragraphs (d) and (f)}~~ paragraph (d) of subsection 1, the Aging Services Division of the Department shall:

(a) Prioritize and quantify the needs of senior citizens for these programs;

(b) Develop, solicit and accept grant applications for allocations;

(c) As appropriate, expand or augment existing state programs for senior citizens upon approval of the Interim Finance Committee;

(d) Award grants, contracts or other allocations;

(e) Conduct annual evaluations of programs to which grants or other allocations have been awarded; and

(f) Submit annual reports concerning the allocations made by the Aging Services Division pursuant to ~~paragraphs~~ paragraph (d) ~~and (f)}~~ of subsection 1 to the Governor, ~~and~~ the Interim Finance Committee ~~{,}~~, *the Legislative Committee on Health Care and any other committees or commissions the Director deems appropriate.*

~~{5.}~~ 4. The Aging Services Division of the Department shall submit each proposed grant or contract which would be used to expand or augment an existing state program to the Interim Finance Committee for approval before the grant or contract is awarded. The request for approval must include a description of the proposed use of the money and the person or entity that would be authorized to expend the money. The Aging Services Division of the Department shall not expend or transfer any money allocated to the Aging Services Division pursuant to this section to subsidize any portion of the cost of providing prescription drugs, ~~and~~ pharmaceutical services and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, to senior citizens pursuant to NRS 439.635 to 439.690, inclusive, or to subsidize any portion of the cost of providing prescription drugs, ~~and~~ pharmaceutical services and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, to persons with disabilities pursuant to NRS 439.705 to 439.795, inclusive.

~~{6. The Department, on behalf of the Task Force, shall submit each allocation proposed pursuant to paragraph (g), (h) or (i) of subsection 1 which would be used to expand or augment an existing state program to the Interim Finance Committee for approval before the contract or grant is awarded. The request for approval must include a description of the proposed use of the money and the person or entity that would be authorized to expend the money.}~~

5. A veteran may receive benefits or other services which are available from the money allocated pursuant to this section for senior citizens or persons with disabilities to the extent that the veteran does not receive other benefits or services provided to veterans for the same purpose if the veteran qualifies for the benefits or services as a senior citizen or a person with a disability, or both.

6. *As used in this section, "available revenues" means the total revenues deposited in the Fund for a Healthy Nevada each year minus \$200,000.*

Sec. 5. NRS 439.665 is hereby amended to read as follows:

439.665 1. The Department may:

(a) Enter into contracts with private insurers who transact health insurance in this State to subsidize the cost of prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits ~~and hearing aids or other devices that enhance the ability to hear~~, for senior citizens by arranging for the availability, at a reasonable cost, of policies of health insurance that provide coverage to senior citizens for prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits ~~and hearing aids or other devices that enhance the ability to hear~~; or

(b) Subsidize the cost of prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits ~~and hearing aids or other devices that enhance the ability to hear~~, for senior citizens in any other manner.

2. Within the limits of the money available for this purpose in the Fund for a Healthy Nevada, a senior citizen who is not eligible for Medicaid and who is eligible for a subsidy that is made available pursuant to subsection 1 is entitled to an annual grant from the Fund to subsidize the cost of prescription drugs, pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits ~~and hearing aids or other devices that enhance the ability to hear~~, if he has been domiciled in this State for at least 1 year immediately preceding the date of his application and ~~except as otherwise provided in subsection 5~~:

(a) If the senior citizen is single, his income is not over \$21,500; or

(b) If the senior citizen is married, his household income is not over \$28,660.

↪ The monetary amounts set forth in this subsection must be adjusted for each fiscal year by adding to each amount the product of the amount shown multiplied by the percentage increase in the Consumer Price Index from December 2002 to the December preceding the fiscal year for which the adjustment is calculated.

3. The subsidy granted pursuant to this section must not exceed the annual cost of prescription drugs, pharmaceutical services and *to the extent money is available*, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, provided to the senior citizen.

4. A subsidy that is made available pursuant to subsection 1 must provide for:

(a) A copayment of not more than \$10 per prescription drug or pharmaceutical service that is generic as set forth in the formulary of the insurer or as set forth by the Department; and

(b) A copayment of not more than \$25 per prescription drug or pharmaceutical service that is preferred as set forth in the formulary of the insurer or as set forth by the Department.

5. The Department may waive the eligibility requirement set forth in subsection 2 regarding household income upon written request of the applicant or enrollee based on one or more of the following circumstances:

(a) Illness;

(b) Disability; or

(c) Extreme financial hardship, when considering the current financial circumstances of the applicant or enrollee.

↪ An applicant or enrollee who requests such a waiver shall include with that request all medical and financial documents that support his request.

6. If the Federal Government provides any coverage for:

(a) Prescription drugs and pharmaceutical services; or

(b) Other benefits, including, without limitation, dental or vision benefits ~~and hearing aids or other devices that enhance the ability to hear~~,

↪ for senior citizens who are eligible for a subsidy pursuant to subsections 1 to 5, inclusive, the Department may, upon approval of the Legislature, or the Interim Finance Committee if the Legislature is not in session, change any program established pursuant to NRS 439.635 to 439.690, inclusive, and otherwise provide assistance with prescription drugs, pharmaceutical

services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits *and hearing aids or other devices that enhance the ability to hear*, for senior citizens within the limits of the money available for this purpose in the Fund . ~~for a Healthy Nevada.~~

7. The provisions of subsections 1 to 5, inclusive, do not apply to the extent that the Department provides assistance *with prescription drugs, pharmaceutical services and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear*, for senior citizens pursuant to subsection 6.

8. *A veteran may receive assistance with prescription drugs, pharmaceutical services and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, pursuant to this section to the extent that the veteran does not receive other services or benefits provided to veterans for the same purpose if the veteran qualifies for the assistance as a senior citizen.*

Sec. 6. NRS 439.745 is hereby amended to read as follows:

439.745 1. The Department may:

(a) Enter into contracts with private insurers who transact health insurance in this State to subsidize the cost of prescription drugs , ~~and~~ pharmaceutical services *and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear*, for persons with disabilities by arranging for the availability, at a reasonable cost, of policies of health insurance that provide coverage to persons with disabilities for prescription drugs , ~~and~~ pharmaceutical services ~~and~~ *and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear*; or

(b) Subsidize the cost of prescription drugs , ~~and~~ pharmaceutical services *and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear*, for persons with disabilities in any other manner.

2. Within the limits of the money available for this purpose in the Fund for a Healthy Nevada, a person with a disability who is not eligible for Medicaid and who is eligible for a subsidy for the cost of prescription drugs , ~~and~~ pharmaceutical services *and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear* that is made available pursuant to subsection 1 is entitled to an annual grant from the Fund to subsidize the cost of prescription drugs , ~~and~~ pharmaceutical services ~~and~~ *and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear*, if he has been domiciled in this State for at least 1 year immediately preceding the date of his application and ~~except as otherwise provided in subsection 5:~~

(a) If the person with a disability is single, his income is not over \$21,500; or

(b) If the person with a disability is married, his household income is not over \$28,660.

↪ The monetary amounts set forth in this subsection must be adjusted for each fiscal year by adding to each amount the product of the amount shown multiplied by the percentage increase in the Consumer Price Index from December 2002 to the December preceding the fiscal year for which the adjustment is calculated.

3. The subsidy granted pursuant to this section must not exceed the annual cost of prescription drugs , ~~and~~ pharmaceutical services *and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear*, provided to the person with a disability.

4. A subsidy that is made available pursuant to subsection 1 must provide for:

(a) A copayment of not more than \$10 per prescription drug or pharmaceutical service that is generic as set forth in the formulary of the insurer or as set forth by the Department; and

(b) A copayment of not more than \$25 per prescription drug or pharmaceutical service that is preferred as set forth in the formulary of the insurer or as set forth by the Department.

5. The Department may waive the eligibility requirement set forth in subsection 2 regarding household income upon written request of the applicant or enrollee based on one or more of the following circumstances:

(a) Illness;

(b) Disability; or
 (c) Extreme financial hardship, when considering the current financial circumstances of the applicant or enrollee.

↪ An applicant or enrollee who requests such a waiver shall include with that request all medical and financial documents that support his request.

6. If the Federal Government provides any coverage ~~[of prescription]~~ for:

(a) Prescription drugs and pharmaceutical services ; or

(b) Other benefits, including, without limitation, dental or vision benefits or hearing aids or other devices that enhance the ability to hear,

↪ for persons with disabilities who are eligible for a subsidy pursuant to subsections 1 to 5, inclusive, the Department may, upon approval of the Legislature, or the Interim Finance Committee if the Legislature is not in session, change any program established pursuant to NRS 439.705 to 439.795, inclusive, and otherwise provide assistance with prescription drugs , ~~[and]~~ pharmaceutical services and, to the extent money is available, other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, for persons with disabilities within the limits of the money available for this purpose in the Fund . ~~[for a Healthy Nevada.]~~

7. The provisions of subsections 1 to 5, inclusive, do not apply if the Department provides assistance with prescription drugs , ~~[and]~~ pharmaceutical services and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, for persons with disabilities pursuant to subsection 6.

8. A veteran may receive assistance with prescription drugs, pharmaceutical services and other benefits, including, without limitation, dental and vision benefits and hearing aids or other devices that enhance the ability to hear, pursuant to this section to the extent that the veteran does not receive other services or benefits provided to veterans for the same purpose if the veteran qualifies for the assistance as a person with a disability.

Sec. 7. (Deleted by amendment.)

Sec. 8. ~~[NRS 439B.220 is hereby amended to read as follows:~~

~~439B.220 1. The Committee may:~~

~~[1.] (a) Review and evaluate the quality and effectiveness of programs for the prevention of illness.~~

~~[2.] (b) Review and compare the costs of medical care among communities in Nevada with similar communities in other states.~~

~~[3.] (c) Analyze the overall system of medical care in the State to determine ways to coordinate the providing of services to all members of society, avoid the duplication of services and achieve the most efficient use of all available resources.~~

~~[4.] (d) Examine the business of providing insurance, including the development of cooperation with health maintenance organizations and organizations which restrict the performance of medical services to certain physicians and hospitals, and procedures to contain the costs of these services.~~

~~[5.] (e) Examine hospitals to:~~

~~[(a)] (1) Increase cooperation among hospitals;~~

~~[(b)] (2) Increase the use of regional medical centers; and~~

~~[(c)] (3) Encourage hospitals to use medical procedures which do not require the patient to be admitted to the hospital and to use the resulting extra space in alternative ways.~~

~~[6.] (f) Examine medical malpractice.~~

~~[7.] (g) Examine the system of education to coordinate:~~

~~[(a)] (1) Programs in health education, including those for the prevention of illness and those which teach the best use of available medical services; and~~

~~[(b)] (2) The education of those who provide medical care.~~

~~[8.] (h) Review competitive mechanisms to aid in the reduction of the costs of medical care.~~

~~[9.] (i) Examine the problem of providing and paying for medical care for indigent and medically indigent persons, including medical care provided by physicians.~~

~~[10.] (j) Examine the effectiveness of any legislation enacted to accomplish the purpose of restraining the costs of health care while ensuring the quality of services, and its effect on the subjects listed in [subsections 1 to 9,] paragraphs (a) to (i), inclusive.~~

~~[11.] (b) Determine whether regulation by the State will be necessary in the future by examining hospitals for evidence of:~~

~~[(a)] (1) Degradation or discontinuation of services previously offered, including without limitation, neonatal care, pulmonary services and pathology services; or~~

~~[(b)] (2) A change in the policy of the hospital concerning contracts, as a result of any legislation enacted to accomplish the purpose of restraining the costs of health care while ensuring the quality of services.~~

~~[12.] (4) Study the effect of the acuity of the care provided by a hospital upon the revenues of the hospital and upon limitations upon that revenue.~~

~~[13.] (m) Review the actions of the Director in administering the provisions of this chapter and adopting regulations pursuant to those provisions. The Director shall report to the Committee concerning any regulations proposed or adopted pursuant to this chapter.~~

~~[14.] (n) Identify and evaluate, with the assistance of an advisory group, the alternatives to institutionalization for providing long term care, including, without limitation:~~

~~[(a)] (1) An analysis of the costs of the alternatives to institutionalization and the costs of institutionalization for persons receiving long term care in this State;~~

~~[(b)] (2) A determination of the effects of the various methods of providing long term care services on the quality of life of persons receiving those services in this State;~~

~~[(c)] (3) A determination of the personnel required for each method of providing long term care services in this State; and~~

~~[(d)] (4) A determination of the methods for funding the long term care services provided to all persons who are receiving or who are eligible to receive those services in this State.~~

~~[15.] (e) Evaluate, with the assistance of an advisory group, the feasibility of obtaining a waiver from the Federal Government to integrate and coordinate acute care services provided through Medicare and long term care services provided through Medicaid in this State.~~

~~[16.] (p) Evaluate, with the assistance of an advisory group, the feasibility of obtaining a waiver from the Federal Government to eliminate the requirement that elderly persons in this State impoverish themselves as a condition of receiving assistance for long term care.~~

~~[17.] (q) Conduct investigations and hold hearings in connection with its review and analysis.~~

~~[18.] (r) Apply for any available grants and accept any gifts, grants or donations to aid the Committee in carrying out its duties pursuant to this chapter.~~

~~[19.] (s) Direct the Legislative Counsel Bureau to assist in its research, investigations, review and analysis.~~

~~[20.] (4) Recommend to the Legislature as a result of its review any appropriate legislation.~~

~~2. The Committee shall:~~

~~(a) Prioritize the needs for the programs for the receipt of awards of money pursuant to paragraphs (f), (g) and (h) of subsection 1 of NRS 439.630 and deliver to the Department and the Grants Management Advisory Committee created by NRS 232.383 a list of those priorities; and~~

~~(b) Make recommendations to the Aging Services Division of the Department concerning the independent living needs of senior citizens for purposes of allocating money pursuant to paragraph (d) of subsection 1 of NRS 439.630. (Deleted by amendment.)~~

Sec. 9. NRS 232.383 is hereby amended to read as follows:

232.383 1. The Grants Management Advisory Committee is hereby created within the Department.

2. The Advisory Committee consists of the following ~~[11]~~ 15 members appointed by the Director:

(a) A superintendent of a county school district ~~[or his designee]~~;

(b) A director of a local agency ~~[providing]~~ which provides services for abused or neglected children ~~[or]~~

~~[(c)] A representative of a community organization involved with~~, or his designee;

(c) A member who possesses knowledge, skill and experience in the provision of services to children;

(d) A representative of a department of juvenile justice services;

(e) A member who possesses knowledge, skill and experience in the provision of services to senior citizens;

(f) Two members who possess knowledge, skill and experience in finance or in business generally;

(g) A representative of the Nevada Association of Counties;

(h) ~~{A representative of a broad based nonprofit organization}~~ *A member who possesses knowledge, skill and experience in ~~collaborating with the community and in~~ building partnerships between the public sector and the private sector; ~~and~~*

(i) Two members of the public who possess knowledge of or experience in the provision of services to persons or families who are disadvantaged or at risk ~~{ }~~;

(j) *A member who possesses knowledge, skill and experience in the provision of services to persons with disabilities;*

(k) *A member who possesses knowledge, skill and experience in the provision of services relating to the cessation of the use of tobacco;*

(l) *A member who possesses knowledge, skill and experience in the provision of health services to children; and*

(m) *A representative who is a member of the Nevada Commission on Aging, created by NRS 427A.032, who must not be a Legislator.*

3. *An entity who employs a member of the Advisory Committee is not eligible to receive a grant. This subsection does not prohibit an entity that serves solely as the fiscal agent for a recipient of a grant from employing a member of the Advisory Committee.*

~~{3-}~~ 4. The Director shall ensure that, insofar as practicable, the members whom he appoints reflect the ethnic and geographical diversity of this State.

~~{4-}~~ 5. After the initial terms, each member of the Advisory Committee serves for a term of 2 years. Each member of the Advisory Committee continues in office until his successor is appointed.

~~{5-}~~ 6. Each member of the Advisory Committee who is not an officer or employee of this State or a political subdivision of this State is entitled to receive a salary of not more than \$80 per day, fixed by the Director, while engaged in the business of the Advisory Committee.

~~{6-}~~ 7. While engaged in the business of the Advisory Committee, each member of the Advisory Committee is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

~~{7-}~~ 8. A majority of the members of the Advisory Committee constitutes a quorum for the transaction of business, and a majority of a quorum present at any meeting is sufficient for any official action taken by the Advisory Committee.

~~{8-}~~ 9. A member of the Advisory Committee who is an officer or employee of this State or a political subdivision of this State must be relieved from his duties without loss of his regular compensation so that he may prepare for and attend meetings of the Advisory Committee and perform any work necessary to carry out the duties of the Advisory Committee in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or employee who is a member of the Advisory Committee to:

(a) Make up the time he is absent from work to carry out his duties as a member of the Advisory Committee; or

(b) Take annual leave or compensatory time for the absence.

~~{9-}~~ 10. The Advisory Committee shall:

(a) At its first meeting and annually thereafter, elect a Chairman from among its members;

(b) Meet at the call of the Director, the Chairman or a majority of its members as necessary, within the budget of the Advisory Committee, but not to exceed six meetings per year; and

(c) Adopt rules for its own management and government.

Sec. 10. NRS 232.385 is hereby amended to read as follows:

232.385 The Grants Management Advisory Committee created by NRS 232.383 shall:

1. Review all requests received by the Department for awards of money from agencies of the State or its political subdivisions and nonprofit community organizations or educational institutions which provide or will provide services to persons served by the programs administered by the Department;

2. Submit recommendations to the Director concerning each request for an award of money that the Advisory Committee believes should be granted, including, without limitation, the name of the agency, nonprofit community organization or educational institution that submitted the request;

3. Adopt policies setting forth criteria to determine which agencies, organizations and institutions to recommend for an award of money;

4. Monitor awards of money granted by the Department to agencies of the State or its political subdivisions, and nonprofit community organizations or educational institutions which provide or will provide services to persons served by the programs administered by the Department ~~and~~ , *including, without limitation, awards of money granted pursuant to NRS 439.630;*

5. Assist the staff of the Department in determining the needs of local communities and in setting priorities for funding programs administered by the Department; and

6. Consider funding strategies for the Department, including, without limitation, seeking ways to avoid unnecessary duplication of the services for which awards of money to agencies of the State or its political subdivisions and nonprofit community organizations or educational institutions are granted, and make recommendations concerning funding strategies to the Director.

Sec. 11. NRS 439.625 is hereby repealed.

Sec. 12. Any money allocated or reserved for direct expenditure pursuant to paragraph (f) of subsection 1 of NRS 439.630 on or before June 30, 2007, that is unspent and returned must be allocated, on and after July 1, 2007, in accordance with the amendatory provisions of paragraph (c) of subsection 1 of NRS 439.630.

Sec. 13. 1. The term of the member of the Grants Management Advisory Committee who is a representative of a:

(a) Broad-based nonprofit organization who possesses knowledge, skill and experience in collaborating with the community and in building partnerships between the public sector and the private sector expires on June 30, 2007.

(b) Community organization involved with children expires on June 30, 2007.

2. The Director of the Department of Health and Human Services shall appoint one member to the Grants Management Advisory Committee pursuant to NRS 232.383, as amended by section 9 of this act, who:

(a) Possesses knowledge, skill and experience in the provision of services to persons with disabilities whose term begins on July 1, 2007, and expires on June 30, 2008.

(b) Possesses knowledge, skill and experience in the provision of services relating to the cessation of the use of tobacco whose term begins on July 1, 2007, and expires on June 30, 2009.

(c) Possesses knowledge, skill and experience in the provision of health services to children whose term begins on July 1, 2007, and expires on June 30, 2009.

(d) Is a member of the Nevada Commission on Aging whose term begins on July 1, 2007, and expires on June 30, 2008.

(e) Possesses knowledge, skill and experience in the provision of services to children begins on July 1, 2007, and expires on June 30, 2008.

(f) Possesses knowledge, skill and experience in building partnerships between the public sector and the private sector begins on July 1, 2007, and expires on June 30, 2009.

Sec. 14. The Legislative Committee on Health Care shall examine and review the allocations of money from the Fund for a Healthy Nevada pursuant to NRS 439.630 to determine whether the allocations reflect the needs of this State and the residents of this State. The examination and review must consider whether the money allocated for programs that prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco should be reduced and determine whether such money should be allocated directly to the Health Division of the Department of Health and Human Services and the district boards of health in counties whose population is 50,000 or more.

Sec. 15. Notwithstanding the provisions of this act, an award of money granted by the Task Force for the Fund for a Healthy Nevada pursuant to NRS 439.630 on or before June 30, 2007, remains in effect and the Grants Management Advisory Committee shall monitor the award of money pursuant to NRS 232.385.

Sec. 16. This act becomes effective on July 1, 2007.

TEXT OF REPEALED SECTION

439.625 Task Force for Fund: Creation; membership; selection and term of Chairman and Vice Chairman; compensation of members; relief from regular duties of member who is officer or employee of local government; administrative support and technical assistance.

1. The Task Force for the Fund for a Healthy Nevada is hereby created. The membership of the Task Force consists of:

(a) Three members appointed by the Majority Leader of the Senate, one of whom must be a Senator and one of whom must be a member of a nonprofit organization dedicated to health issues in this State;

(b) Three members appointed by the Speaker of the Assembly, one of whom must be an Assemblyman and one of whom must be a member of a nonprofit organization dedicated to health issues in this State; and

(c) Three members appointed by the Governor, one of whom must have experience with and knowledge of matters relating to health care.

↪ Each member appointed pursuant to this subsection must be a resident of this State and must not be employed in the Executive or Judicial Branch of State Government. Each person who appoints members pursuant to this subsection shall ensure that insofar as practicable, the members whom he appoints reflect the ethnic and geographical diversity of this State.

2. At its first meeting on or after July 1 of each odd-numbered year, the Task Force shall select the Chairman and Vice Chairman of the Task Force from among the legislative members of the Task Force. Each such officer shall hold office for a term of 2 years or until his successor is selected. The chairmanship of the Task Force must alternate each biennium between the houses of the Legislature.

3. For each day or portion of a day during which a member of the Task Force who is a Legislator attends a meeting of the Task Force or is otherwise engaged in the work of the Task Force, except during a regular or special session of the Legislature, he is entitled to receive the:

(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session;

(b) Per diem allowance provided for state officers and employees generally; and

(c) Travel expenses provided pursuant to NRS 218.2207.

↪ The compensation, per diem allowances and travel expenses of the legislative members of the Task Force must be paid from the Legislative Fund.

4. Members of the Task Force who are not Legislators serve without salary, except that they are entitled to receive travel expenses provided for state officers and employees generally. The travel expenses of:

(a) A member of the Task Force who is an officer or employee of a local government thereof must be paid by the local government that employs him.

(b) Each remaining member of the Task Force must be paid from the Legislative Fund.

5. Each member of the Task Force who is an officer or employee of a local government must be relieved from his duties without loss of his regular compensation so that he may perform his duties relating to the Task Force in the most timely manner practicable. A local government shall not require an officer or employee who is a member of the Task Force to:

(a) Make up the time he is absent from work to fulfill his obligations as a member of the Task Force; or

(b) Take annual leave or compensatory time for the absence.

6. The Legislative Counsel Bureau and the Department shall provide such administrative support to the Task Force as is required to carry out the duties of the Task Force. The State Health Officer shall provide such technical advice and assistance to the Task Force as is requested by the Task Force.

MAURICE E. WASHINGTON

JOYCE WOODHOUSE

JOSEPH J. HECK

Senate Conference Committee

KATHY MCCLAIN

SUSAN GERHARDT

JOE HARDY

Assembly Conference Committee

Senator Woodhouse moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 182.

Remarks by Senator Woodhouse.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 428, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 948 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 26, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes relating to crimes involving the unlawful use of personal identifying information of another person ~~and~~ and crimes related to postal matters. (BDR 15-1334)"

"AN ACT relating to ~~personal identifying information;~~ crimes; prohibiting the use of certain personal identifying information of another to obtain any other personal identifying information of that person without the prior express consent of the person; increasing the penalty for possessing, selling, transferring or obtaining and using the personal identifying information of another person under certain circumstances; creating a rebuttable inference of the intent to use the personal identifying information of another person unlawfully under certain circumstances; allowing a postal inspector of the United States Postal Inspection Service to make arrests ~~without a warrant~~ for crimes related to postal matters under certain circumstances; providing a penalty; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law prohibits the use of the personal identifying information of another to harm that person or to obtain credit, a good, a service or anything of value in the name of that other person. (NRS 205.4617, 205.463, 205.464, 205.465) Section 1 of this bill provides that personal identifying information includes, without limitation, any information that can be used to identify the actions, communications or other activities or transactions of a person. (NRS 205.4617) Section 2 of this bill provides that a person who uses the personal identifying information of another, with the intent to commit an unlawful act, to: (1) represent or impersonate that other person to obtain access to any personal identifying information of that other person without the prior express consent of that other person, or (2) obtain access to any nonpublic record of the actions taken, communications made or received by, or other activities or transactions of that other person without the prior express consent of that other person is guilty of a category B felony. (NRS 205.463)

Sections 2, 3 and 4 of the bill also: (1) increase the penalties for using the personal identifying information of another person if the violation involves the personal identifying information of five or more persons or if the violation causes the victim to suffer a financial loss of \$3,000 or more; and (2) create a rebuttable inference of the intent to use the personal identifying information of another person unlawfully if a person possesses the personal identifying information of five or more persons not in the ordinary course of his business or pursuant to a financial transaction entered into with an authorized user of a payment card.

Under existing law, arrests without a warrant may be made under certain circumstances by peace officers, officers of the Drug Enforcement Administration, agents of the Federal Bureau of Investigation or the Secret Service, officers of the Bureau of Indian Affairs or persons employed as police officers by an Indian tribe. (NRS 171.124, 171.1245, 171.1255) Section 5 of this bill allows a postal inspector of the United States Postal Inspection Service to also make arrests for certain crimes related to postal matters with or without a warrant under certain circumstances.

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

Section 1. NRS 205.4617 is hereby amended to read as follows:

205.4617 1. Except as otherwise provided in subsection 2, "personal identifying information" means any information designed, commonly used or capable of being used, alone

or in conjunction with any other information, to identify a living or deceased person ~~to~~ *or to identify the actions taken, communications made or received by, or other activities or transactions of a living or deceased person*, including, without limitation:

(a) The current or former name, driver's license number, identification card number, social security number, checking account number, savings account number, credit card number, debit card number, financial services account number, date of birth, place of employment and maiden name of the mother of a person.

(b) The unique biometric data of a person, including, without limitation, the fingerprints, facial scan identifiers, voiceprint, retina image and iris image of a person.

(c) The electronic signature, unique electronic identification number, address or routing code, telecommunication identifying information or access device of a person.

(d) The personal identification number or password of a person.

(e) The alien registration number, government passport number, employer identification number, taxpayer identification number, Medicaid account number, food stamp account number, medical identification number or health insurance identification number of a person.

(f) The number of any professional, occupational, recreational or governmental license, certificate, permit or membership of a person.

(g) The number, code or other identifying information of a person who receives medical treatment as part of a confidential clinical trial or study, who participates in a confidential clinical trial or study involving the use of prescription drugs or who participates in any other confidential medical, psychological or behavioral experiment, study or trial.

(h) The utility account number of a person.

2. To the extent that any information listed in subsection 1 is designed, commonly used or capable of being used, alone or in conjunction with any other information, to identify an artificial person, "personal identifying information" includes information pertaining to an artificial person.

Sec. 2. NRS 205.463 is hereby amended to read as follows:

205.463 1. Except as otherwise provided in subsections 2 and 3, a person who knowingly:

(a) Obtains any personal identifying information of another person; and

(b) ~~Uses~~ *With the intent to commit an unlawful act, uses* the personal identifying information ~~to~~ :

(1) To harm that other person ;

(2) To represent or impersonate that other person to obtain access to any personal identifying information of that other person without the prior express consent of that other person;

(3) To obtain access to any nonpublic record of the actions taken, communications made or received by, or other activities or transactions of that other person without the prior express consent of that other person; or ~~for~~

(4) For any other unlawful purpose, including, without limitation, to obtain credit, a good, a service or anything of value in the name of that other person,

↪ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$100,000.

2. Except as otherwise provided in subsection 3, a person who knowingly:

(a) Obtains any personal identifying information of another person; and

(b) Uses the personal identifying information to avoid or delay being prosecuted for an unlawful act,

↪ is guilty of a category C felony and shall be punished as provided in NRS 193.130.

3. A person who violates:

(a) Subsection 1 or 2 by obtaining and using the personal identifying information of an older person or a vulnerable person; ~~for~~

(b) Subsection 1 or 2 by obtaining and using the personal identifying information of five or more persons;

(c) Subsection 1 or 2 by causing another person to suffer a financial loss or injury of \$3,000 or more as a result of the violation; or

(d) Subsection 2 to avoid or delay being prosecuted for an unlawful act that is punishable as a category A felony or category B felony,

☛ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 3 years and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$100,000.

4. In addition to any other penalty, the court shall order a person convicted of violating subsection 1 to pay restitution, including, without limitation, any attorney's fees and costs incurred to:

(a) Repair the credit history or rating of the person whose personal identifying information he obtained and used in violation of subsection 1; and

(b) Satisfy a debt, lien or other obligation incurred by the person whose personal identifying information he obtained and used in violation of subsection 1.

5. *Proof of possession of the personal identifying information of five or more persons in a manner not set forth in NRS 205.4655 permits a rebuttable inference that the possessor intended to use such information in violation of this section.*

Sec. 3. NRS 205.464 is hereby amended to read as follows:

205.464 1. Except as otherwise provided in subsection 2, a public officer or public employee who knowingly:

(a) Obtains any personal identifying information of another person from any document, file, database, source or process used by a public body to collect, store, maintain, transfer, reproduce, manage or administer personal identifying information; and

(b) Uses the personal identifying information to harm that other person or for any unlawful purpose, including, without limitation, to obtain credit, a good, a service or anything of value in the name of that person,

☛ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 5 years and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$100,000.

2. A public officer or public employee who violates subsection 1 by ~~obtaining~~ :

(a) *Obtaining* and using the personal identifying information of an older person or a vulnerable person ;

(b) *Obtaining and using the personal identifying information of five or more persons; or*

(c) *Causing another person to suffer a financial loss or injury of \$3,000 or more as a result of the violation,*

☛ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 7 years and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$100,000.

3. Except as otherwise provided in subsection 4, a public officer or public employee who knowingly:

(a) Obtains any personal identifying information of another person from any document, file, database, source or process used by a public body to collect, store, maintain, transfer, reproduce, manage or administer personal identifying information; and

(b) Possesses, sells or transfers the personal identifying information for the purpose of establishing a false status, occupation, membership, license or identity for himself or any other person,

☛ is guilty of a category C felony and shall be punished as provided in NRS 193.130.

4. A public officer or public employee who violates subsection 3 by ~~obtaining~~ :

(a) *Obtaining* and possessing, selling or transferring the personal identifying information of an older person or a vulnerable person ;

(b) *Obtaining and possessing, selling or transferring the personal identifying information of five or more persons; or*

(c) *Causing another person to suffer a financial loss or injury of \$3,000 or more as a result of the violation,*

☛ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$100,000.

5. Except as otherwise provided in subsection 6, a public officer or public employee who knowingly aids another public officer or public employee to commit a violation of any provision of this section is guilty of a category C felony and shall be punished as provided in NRS 193.130.

6. A public officer or public employee who violates subsection 5 by knowingly aiding another public officer or public employee in committing a violation of this section by ~~obtaining~~

(a) *Obtaining the personal identifying information of an older person or a vulnerable person ;*
 (b) *Obtaining the personal identifying information of five or more persons; or*
 (c) *Causing another person to suffer a financial loss or injury of \$3,000 or more as a result of the violation,*

➤ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$100,000.

7. The provisions of this section do not prohibit the possession or use of any personal identifying information by officers of local police, sheriff and metropolitan police departments and by agents of the Investigation Division of the Department of Public Safety while engaged in undercover investigations related to the lawful discharge of their duties.

8. In addition to any other penalty, the court shall order a public officer or public employee convicted of violating any provision of this section to pay restitution, including, without limitation, any attorney's fees and costs incurred, to:

(a) Repair the credit history or rating of the person whose personal identifying information the public officer or public employee obtained and used in violation of subsection 1; and

(b) Satisfy a debt, lien or other obligation incurred by the person whose personal identifying information the public officer or public employee obtained and used in violation of this section.

9. *Proof of possession of the personal identifying information of five or more persons in a manner not set forth in NRS 205.4655 permits a rebuttable inference that the possessor intended to use such information in violation of this section.*

Sec. 4. NRS 205.465 is hereby amended to read as follows:

205.465 1. It is unlawful for a person to possess, sell or transfer any document or personal identifying information for the purpose of establishing a false status, occupation, membership, license or identity for himself or any other person.

2. Except as otherwise provided in subsection 3, a person who:

(a) Sells or transfers any such document or personal identifying information in violation of subsection 1; or

(b) Possesses any such document or personal identifying information in violation of subsection 1 to commit any of the crimes set forth in NRS 205.085 to 205.217, inclusive, 205.473 to 205.513, inclusive, or 205.610 to 205.810, inclusive,

➤ is guilty of a category C felony and shall be punished as provided in NRS 193.130.

3. A person who violates subsection 2 by ~~selling~~:

(a) *Selling or transferring the personal identifying information of an older person or a vulnerable person ;*

(b) *Selling or transferring the personal identifying information of five or more persons; or*

(c) *Causing another person to suffer a financial loss or injury of \$3,000 or more as a result of the violation,*

➤ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 20 years, and may be further punished by a fine of not more than \$100,000.

4. Except as otherwise provided in this subsection and subsections 2 and 3, a person who possesses any such document or personal identifying information in violation of subsection 1 is guilty of a category E felony and shall be punished as provided in NRS 193.130. If a person possesses any such document or personal identifying information in violation of subsection 1 for the sole purpose of establishing false proof of age, including, without limitation, establishing false proof of age to game, purchase alcoholic beverages or purchase cigarettes or other tobacco products, the person is guilty of a misdemeanor.

5. Subsection 1 does not:

(a) Preclude the adoption by a city or county of an ordinance prohibiting the possession of any such document or personal identifying information; or

(b) Prohibit the possession or use of any such document or personal identifying information by officers of local police, sheriff and metropolitan police departments and by agents of the Investigation Division of the Department of Public Safety while engaged in undercover investigations related to the lawful discharge of their duties.

6. *Proof of possession of the personal identifying information of five or more persons in a manner not set forth in NRS 205.4655 permits a rebuttable inference that the possessor intended to use such information in violation of this section.*

Sec. 5. Chapter 171 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A postal inspector of the United States Postal Inspection Service may ~~not~~ make an arrest in obedience to a warrant delivered to him, or may, without a warrant, arrest a person:

~~1.1~~ (a) For a public offense related to postal matters committed or attempted in his presence.

~~1.2~~ (b) When the person arrested has committed a felony or gross misdemeanor ~~not~~ related to postal matters, although not in his presence.

~~1.3~~ (c) When a felony or gross misdemeanor related to postal matters has in fact been committed, and he has reasonable cause for believing the person arrested to have committed it.

~~1.4~~ (d) On a charge made, upon a reasonable cause, of the commission of a felony or gross misdemeanor related to postal matters by the person arrested.

~~1.5~~ (e) When a warrant has in fact been issued in this State for the arrest of a named or described person for a public offense ~~not~~ related to postal matters, and he has reasonable cause to believe that the person arrested is the person so named or described.

2. As used in this section, "postal matters" means any act related to mail service, including, without limitation, delivering and collecting mail, mail theft and mail fraud.

MARK E. AMODEI

MAURICE E. WASHINGTON

TERRY CARE

Senate Conference Committee

DAVID R. PARKS

BERNIE ANDERSON

EDWIN GOEDHART

Assembly Conference Committee

Senator Amodei moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 428.

Remarks by Senator Amodei.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 521, consisting of the undersigned members, has met and reports that:

No decision was reached.

MARK E. AMODEI

VALERIE WIENER

TERRY CARE

Senate Conference Committee

BERNIE ANDERSON

TICK SEGERBLUM

GARN MABEY

Assembly Conference Committee

Senator Amodei moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 521.

Remarks by Senator Amodei.

Motion carried.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Senate Bill No. 578; Assembly Bill No. 205, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which was referred Senate Bill No. 556, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Finance, to which was rereferred Senate Bill No. 434, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM J. RAGGIO, *Chair*

Senator Raggio moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 12:51 p.m.

SENATE IN SESSION

At 12:56 p.m.

President Krolicki presiding.

Quorum present.

SECOND READING AND AMENDMENT

Senate Bill No. 556.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 1160.

"SUMMARY—~~{Creates the Supreme Court Commission on Law Libraries and the District Court Commission on Law Libraries.}~~ *Makes various changes concerning the judicial system.* (BDR 1-1475)"

"AN ACT relating to the judicial system; creating the Supreme Court Commission on Law Libraries and the District Court Commission on Law Libraries; *reorganizing the Second and Eighth Judicial Districts; making an appropriation;* and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Senate Bill No. 184 of the 2001 Legislative Session created the Supreme Court Commission on Law Libraries and the District Court Commission on Law Libraries. The Supreme Court Commission on Law Libraries expired on December 31, 2006, and the District Court Commission on Law Libraries expired on January 2, 2005. (Chapter 597, Statutes of Nevada 2001, p. 3109)

Section 2 of this bill re-creates the Supreme Court Commission on Law Libraries, prescribes the duties of the Commission and establishes the salaries for the justices who serve on the Commission. (*NRS 2.410*) Section 1 of this bill clarifies that salary from service on the Commission is included within the definition of salary for the purposes of the statutory provisions pertaining to pensions. (*NRS 2.060*)

Section ~~3~~ 4 of this bill re-creates the District Court Commission on Law Libraries, prescribes the duties of the Commission and establishes the salaries for the judges who serve on the Commission. Section ~~4~~ 2 of this bill clarifies that salary from service on the Commission is included within

the definition of salary for the purposes of the statutory provisions pertaining to pensions. (NRS 3.090)

Section 12 of this bill makes an appropriation to pay the salaries of the members of the Supreme Court Commission on Law Libraries and the District Court Commission on Law Libraries.

Existing law creates the Second and Eighth Judicial Districts with certain judges designated for the family court. (NRS 3.012, 3.018) Sections 5-8 of this bill reorganize those districts to provide for the designation of family court judges separate from other judges in those districts. In addition, sections 10 and 11 of this bill provide for the abolishment and recreation of the office of certain district judges. The first term of office for the new judges is 4 years. This reorganization will allow all district judges to be elected at the same time in those districts rather than at staggered times.

Section ~~15~~ 13 of this bill provides that the provisions of this bill ~~[becomes]~~ concerning the Commissions on Law Libraries become effective on January 1, 2009, if, and only if, Senate Bill No. 248 is enacted by the 74th Session of the Nevada Legislature and approved by the Governor.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 2.060 is hereby amended to read as follows:

2.060 1. Any justice of the Supreme Court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.

2. Any justice of the Supreme Court who has served as a justice or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.

3. Any justice of the Supreme Court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable as provided in subsection 2.

4. Any justice who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.

5. Any justice who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A benefit under this subsection must be reduced in the same manner as benefits are reduced for persons retired under the Public Employees' Retirement System.

6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired under the Public Employees' Retirement System.

7. Any justice who desires to receive the benefits of this section must file with the Executive Officer of the Public Employees' Retirement Board an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the Supreme Court.

8. The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any justice who may have ended his service pursuant to it.

9. *As used in this section, "salary" includes a salary received for service on a Supreme Court Commission created by statute.*

Sec. 2. NRS 2.410 is hereby amended to read as follows:

2.410 1. The Supreme Court Law Library shall be under the supervision and control of the Supreme Court, which may make and enforce such rules and regulations as may be necessary for the government, use and services of the Library. Such rules or regulations shall assure that the Library is accessible for public use and to users in all parts of the State.

2. *There is hereby created a Supreme Court Commission on Law Libraries. The Chief Justice of the Supreme Court shall appoint justices of the Supreme Court who are interested in issues related to improving access by the public to the law and legal publications to serve on the Commission.*

3. *The Supreme Court Commission on Law Libraries shall:*

(a) *Advise the Supreme Court concerning the government, use and services of the Supreme Court Law Library, including, without limitation, any decisions made by the Supreme Court pursuant to subsection 1 and NRS 2.420 and 2.430;*

(b) *Coordinate the development of materials to aid persons who choose to represent themselves in litigation and other legal matters rather than retaining an attorney; and*

(c) *Provide assistance and advice to the District Court Commission on Law Libraries, during its existence, concerning the government, use and services of county law libraries.*

4. *The Supreme Court Commission on Law Libraries shall meet at least quarterly and shall prepare and submit an annual report to the Office of the Court Administrator.*

5. *On January 5, 2009, the Chief Justice of the Supreme Court shall appoint two justices of the Supreme Court to serve terms on the Supreme Court Commission on Law Libraries which begin on January 5, 2009, and*

end on January 2, 2011, and three justices to serve terms which begin on January 6, 2009, and end on December 31, 2012. If a justice appointed pursuant to this subsection to serve on the Commission ceases to be a justice of the Supreme Court, his term as a member of the Commission expires on the date that he ceases to be a justice of the Supreme Court. Such a vacancy on the Commission may only be filled by the person appointed to fill the vacancy on the Supreme Court and only for the remainder of the term for which he is appointed and actually serves.

6. Each member of the Supreme Court Commission on Law Libraries who is appointed pursuant to subsection 5 is entitled to receive a salary of ~~(\$42,000)~~ \$30,000 for each year that he serves on the Commission, payable in biweekly installments.

Sec. 3. Chapter 3 of NRS is hereby amended by adding thereto ~~a new section to read as follows:~~ the provisions set forth as sections 4, 5 and 6 of this act.

Sec. 4. 1. There is hereby created a District Court Commission on Law Libraries. The Commission shall:

(a) Make recommendations to and otherwise advise generally the boards of law library trustees established pursuant to chapter 380 of NRS concerning policies and procedures related to improving access by the public to the law and legal publications;

(b) Coordinate the development of materials to aid persons who choose to represent themselves in litigation and other legal matters rather than retaining an attorney; and

(c) In a county in which the board of county commissioners governs and manages a law library, make recommendations to and otherwise advise the board of county commissioners concerning any issues that arise as the board manages the law library, carries out its duties set forth in chapter 380 of NRS or exercises any power granted to a board of law library trustees pursuant to chapter 380 of NRS and concerning policies and procedures related to improving access by the public to the law and legal publications.

2. The District Court Commission on Law Libraries shall meet at least quarterly and shall prepare and submit an annual report to the ~~Administrative~~ Office of the ~~Courts~~ Court Administrator.

3. On January 5, 2009, the:

(a) Chief Judge of the Second Judicial District shall appoint two district judges from the Second Judicial District to serve terms on the District Court Commission on Law Libraries which begin on January 5, 2009, and end on January 3, 2011; and

(b) Chief Judge of the Eighth Judicial District shall appoint six district judges from the Eighth Judicial District to serve terms on the District Court Commission on Law Libraries which begin on January 5, 2009, and end on January 3, 2011.

➡ If a district judge appointed pursuant to this subsection to serve on the District Court Commission on Law Libraries ceases to be a district judge, his

term as a member of the Commission expires on the date that he ceases to be a district judge. Such a vacancy on the Commission may only be filled by the person appointed to fill the vacancy on the district court and only for the remainder of the term for which he is appointed and actually serves.

4. *On or after January 5, 2009, the Chief Judge of any other judicial district may appoint one district judge to serve on the District Court Commission on Law Libraries.*

5. *Each member of the District Court Commission on Law Libraries who was appointed pursuant to subsection 3 is entitled to receive a salary of ~~(\$39,000)~~ \$30,000 for each year that he serves on the Commission, payable in biweekly installments.*

Sec. 5. For the Second Judicial District, in addition to the district judges established pursuant to NRS 3.012, there must be four district judges who are judges of the family court.

Sec. 6. For the Eighth Judicial District, in addition to the district judges established pursuant to NRS 3.018, there must be 13 district judges who are judges of the family court.

Sec. 7. NRS 3.012 is hereby amended to read as follows:

3.012 For the Second Judicial District there must be ~~12~~ eight district judges ~~[4 of whom must be]~~ who are not judges of the family court.

Sec. 8. NRS 3.018 is hereby amended to read as follows:

3.018 For the Eighth Judicial District there must be ~~37~~ 24 district judges ~~[13 of whom must be]~~ who are not judges of the family court.

~~[Sec. 4.]~~ Sec. 9. NRS 3.090 is hereby amended to read as follows:

3.090 1. Any judge of the district court who has served as a justice of the Supreme Court or judge of a district court in any one or more of those courts for a period or periods aggregating 22 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to three-fourths the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.

2. Any judge of the district court who has served as a justice of the Supreme Court or judge of a district court in any one or more of those courts for a period or periods aggregating 5 years and has ended such service is, after reaching the age of 60 years, entitled to receive annually from the State of Nevada, as a pension during the remainder of his life, a sum of money equal in amount to 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable monthly from the Judicial Retirement Fund established pursuant to NRS 1A.160.

3. Any judge of the district court who qualifies for a pension under the provisions of subsection 2 is entitled to receive, for each year served beyond 5 years up to a maximum of 22 years, an additional 4.1666 percent of the sum received as a salary for his judicial services during the last year thereof, payable as provided in subsection 2.

4. Any judge who has retired pursuant to subsection 3 and is thereafter recalled to additional active service in the court system is entitled to receive credit toward accumulating 22 years' service for the maximum pension based upon the time he actually spends in the additional active service.

5. Any district judge who has the years of service necessary to retire but has not attained the required age may retire at any age with a benefit actuarially reduced to the required retirement age. A retirement benefit under this subsection must be reduced in the same manner as benefits are reduced for persons retired under the Public Employees' Retirement System.

6. Any person receiving a pension pursuant to the provisions of this section is entitled to receive postretirement increases equal to those provided for persons retired in the Public Employees' Retirement System.

7. Any judge of the district court who desires to receive the benefits of this section must file with the Executive Officer of the Public Employees' Retirement Board an affidavit setting forth the fact that he is ending his service, the date and place of his birth, and the years he has served in any district court or the Supreme Court.

8. The faith of the State of Nevada is hereby pledged that this section shall not be repealed or amended so as to affect any judge of the district court who may have ended his service pursuant to it.

9. *As used in this section, "salary" includes a salary received for service on a District Court Commission created by statute.*

Sec. 10. 1. Each office of district judge for the family court of the Second Judicial District which was created pursuant to NRS 3.012 and for which the term of office expires on January 3, 2011, is hereby abolished and ceases to exist on January 3, 2011.

2. Each office of district judge for the family court of the Eighth Judicial District which was created pursuant to NRS 3.018 and for which the term of office expires on January 3, 2011, is hereby abolished and ceases to exist on January 3, 2011.

Sec. 11. On January 3, 2011, there are hereby created two offices of district judge who must be judges for the family court of the Second Judicial District pursuant to section 5 of this act and six offices of district judge who must be judges for the family court of the Eighth Judicial District pursuant to section 6 of this act. The district judges for these offices must be selected at the general election held on November 2, 2010. The term of office of these judges expires on January 5, 2015.

Sec. 12. 1. There is hereby appropriated from the State General Fund to the Supreme Court of Nevada the sum of \$105,946 for the salaries of members of the Supreme Court Commission on Law Libraries created pursuant to section 2 of this act.

2. There is hereby appropriated from the State General Fund to the District Judges' Salary Account the sum of \$164,933 for the salaries of the members of the District Court Commission on Law Libraries created pursuant to section 4 of this act.

3. Any remaining balance of the appropriations made by subsections 1 and 2 must not be committed for expenditure after June 30, 2009, and reverts to the State General Fund as soon as all payments of money committed have been made.

~~[Sec. 5.]~~ Sec. 13. 1. This section and sections 3, 10 and 11 of this act become effective on October 1, 2007.

2. Section 12 of this act becomes effective on July 1, 2008, if, and only if, Senate Bill No. 248 is enacted by the 74th Session of the Nevada Legislature and approved by the Governor.

3. ~~[This]~~ Sections 1, 2, 4 and 9 of this act ~~[becomes]~~ become effective on January 1, 2009, if, and only if, Senate Bill No. 248 is enacted by the 74th Session of the Nevada Legislature and approved by the Governor.

~~[2. Sections 3 and 4]~~

4. Sections 5 to 8, inclusive, of this act become effective on January 3, 2011.

5. Sections 4 and 9 of this act expire by limitation on January 3, 2011.

~~[3.]~~ 6. Sections 1 and 2 of this act expire by limitation on December 31, 2012.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

GENERAL FILE AND THIRD READING

Senate Bill No. 108.

Bill read third time.

Roll call on Senate Bill No. 108:

YEAS—21.

NAYS—None.

Senate Bill No. 108 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 238.

Bill read third time.

Roll call on Senate Bill No. 238:

YEAS—21.

NAYS—None.

Senate Bill No. 238 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 248.

Bill read third time.

Roll call on Senate Bill No. 248:

YEAS—14.

NAYS—Carlton, Heck, Horsford, Schneider, Titus, Wiener, Woodhouse—7.

Senate Bill No. 248 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 434.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1114.

"SUMMARY—Revises provisions governing off-highway vehicles. (BDR 43-400)"

"AN ACT relating to off-highway vehicles; requiring an owner of an off-highway vehicle to apply for the issuance of a certificate of title for the off-highway vehicle under certain circumstances; requiring the Department of Motor Vehicles to ~~charge and collect certain fees; creating the Off Highway Vehicle Advisory Board; requiring the Department to adopt certain regulations relating to off-highway vehicles; requiring an owner of an off-highway vehicle to apply for the issuance of a certificate of operation for the off-highway vehicle within a certain period; providing exceptions; authorizing the Department to impose administrative fines for violations of certain provisions governing off-highway vehicles;~~ adopt regulations establishing a fee for the issuance of such a certificate of title; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

~~[Existing law prohibits a person from operating an off-highway vehicle on a highway in this State unless the person has obtained a certificate of operation for the off-highway vehicle and has attached the certificate of operation to the off-highway vehicle in the manner specified by the Department of Taxation. (NRS 490.080) The term "off-highway vehicle" means any motor vehicle that is designed primarily for off-highway and all-terrain use, including, without limitation, an all-terrain vehicle, an all-terrain motorcycle, a dune buggy, a snowmobile or any motor vehicle used for recreational purposes on public lands. (NRS 490.060) The term "highway" means any way that is maintained by a public authority and is open for use by the public for vehicular traffic. (NRS 482.045, 490.040)~~

~~Existing law requires an authorized dealer of off-highway vehicles to issue a certificate of operation for the off-highway vehicle upon the sale of the off-highway vehicle or upon request by a person who purchased the off-highway vehicle outside this State under certain circumstances. (NRS 490.070)~~

~~Sections 3-10 of this bill add new provisions to chapter 490 of NRS relating to off-highway vehicles.]~~

Section 5 of this bill requires a person who acquires ownership of an off-highway vehicle on or after January 1, 2008, to apply to the Department of Motor Vehicles for the issuance of a certificate of title for the off-highway vehicle within 30 days after acquiring ownership of the off-highway vehicle.

A person who acquires ownership of an off-highway vehicle before January 1, 2008, may, but is not required to, apply for such a certificate of title. Section 5 also requires the Department to adopt regulations to carry out the provisions of the section, including the establishment of fees for the issuance of such certificates of title and duplicate certificates of title.

~~¶ Section 6 of this bill provides for the issuance of a class 1 or class 2 certificate of operation for an off-highway vehicle. Each certificate of operation is valid for 2 years after the date of issuance. The fee for each certificate of operation is \$12.50. Section 6 prohibits the Department from issuing a class 2 certificate of operation on or after January 1, 2009. However, a class 2 certificate of operation issued before that date remains subject to renewal and, if renewed, remains valid.~~

~~Section 7 of this bill requires the Department of Motor Vehicles to charge and collect a fee in the amount of \$12.50 for each class 1 or class 2 certificate of operation issued or renewed by the Department. The fee is in addition to the fee imposed pursuant to section 6 of this bill.~~

~~Section 9 of this bill creates the Off Highway Vehicle Advisory Board. The Board consists of 13 members appointed by the Governor. Members are entitled to receive the per diem allowance and travel expenses provided to state officers and employees.~~

~~Section 10 of this bill imposes various duties upon the Board, including, without limitation, the duty to select a Chairman and to meet at least once each calendar quarter. Section 10 requires the Board to study the need for designated roads and trails for off-highway vehicle roads or trails and to advise appropriate agencies on policies, programs and facilities needed for the safe use of off-highway vehicles on roads and trails in this State.~~

~~Section 13 of this bill provides that an authorized dealer of off-highway vehicles may receive and submit to the Department of Motor Vehicles applications for the issuance or renewal of certificates of operation or for the issuance of certificates of title for off-highway vehicles. Each authorized dealer must submit the applications to the Department on or before the end of the month in which the authorized dealer receives the applications. Section 13 also allows each authorized dealer to retain a fee of not more than \$2 for each application for a certificate of operation received by the authorized dealer. In addition, section 13 requires the Department to adopt various regulations, including, without limitation, regulations for the renewal of certificates of operation by mail, the collection of a fee of not more than \$25 for the renewal of a certificate of operation and the imposition of administrative fines for certain violations concerning off-highway vehicles.~~

~~Section 14 of this bill prohibits a person from operating an off-highway vehicle in this State without a certificate of operation for the off-highway~~

~~vehicle, regardless of whether the person operates the off-highway vehicle on a highway. Section 14 further requires each owner of an off-highway vehicle to apply, within 30 days after acquiring ownership of the off-highway vehicle, to an authorized dealer or to the Department for the issuance of a certificate of operation for the off-highway vehicle. Section 14 expands the types of off-highway vehicles for which a certificate of operation is not required to include an off-highway vehicle that has an engine having a displacement of not more than 90 cubic centimeters, an off-highway vehicle that is used solely for racing on a private or closed race course or an off-highway vehicle that was manufactured before January 1, 1976.]~~

Section 15 of this bill repeals the provisions of NRS 490.030, which define the term "Department" for purposes of chapter 490 of NRS to mean the Department of Taxation. Because NRS 481.015 defines the term "Department" for purposes of title 43 of NRS to mean the Department of Motor Vehicles, the effect of the repeal of NRS 490.030 and the amendment of NRS 481.015 set forth in section 1 of this bill is to place the authority to administer the provisions of chapter 490 of NRS under the Department of Motor Vehicles.

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

Section 1. NRS 481.015 is hereby amended to read as follows:

481.015 1. Except as otherwise provided in this subsection, as used in this title, unless the context otherwise requires, "certificate of title" means the document issued by the Department that identifies the legal owner of a vehicle and contains the information required pursuant to subsection 2 of NRS 482.245. The definition set forth in this subsection does not apply to chapters 488, ~~and~~ 489 *and* 490 of NRS.

2. Except as otherwise provided in chapter 480 of NRS, NRS 484.388 to 484.3888, inclusive, 486.363 to 486.377, inclusive, ~~[chapter]~~ *and* ~~chapters 486A [of NRS,] and [NRS 488.480 and chapter 490 of NRS,]~~ 488 *of* NRS, as used in this title, unless the context otherwise requires:

(a) "Department" means the Department of Motor Vehicles.

(b) "Director" means the Director of the Department . ~~[of Motor Vehicles.]~~

Sec. 2. ~~[Chapter 490 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 10, inclusive, of this act.] (Deleted by amendment.)~~

Sec. 3. ~~["Board" means the Off-Highway Vehicle Advisory Board created pursuant to section 9 of this act.] (Deleted by amendment.)~~

Sec. 4. (Deleted by amendment.)

Sec. 5. Chapter 490 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An owner of an off-highway vehicle that is acquired on or after January 1, 2008, shall, within 30 days after acquiring ownership of the

off-highway vehicle, apply to the Department for the issuance of a certificate of title for the off-highway vehicle.

2. An owner of an off-highway vehicle that is acquired before January 1, 2008, may apply to the Department for the issuance of a certificate of title for the off-highway vehicle.

3. The Department shall adopt regulations to carry out the provisions of this section. The regulations must, without limitation:

(a) Specify the form and contents of a certificate of title for an off-highway vehicle;

(b) Provide procedures for the application for and issuance of a certificate of title for an off-highway vehicle; and

(c) Establish fees for the issuance of a certificate of title and a duplicate certificate of title for an off-highway vehicle. The fees must not exceed the fees imposed for issuing a certificate of title and a duplicate certificate of title pursuant to NRS 482.429.

~~Sec. 6. 1. A certificate of operation issued or renewed in accordance with a regulation adopted pursuant to NRS 490.070:~~

~~(a) Is a class 1 certificate of operation if the owner of the off highway vehicle provides proof to the Department that the owner has obtained a certificate of title from the Department for the off-highway vehicle. The fee for a class 1 certificate of operation is \$12.50, not including any fee charged and retained by an authorized dealer pursuant to NRS 490.070.~~

~~(b) Is a class 2 certificate of operation if the owner of the off-highway vehicle has not obtained a certificate of title from the Department for the off-highway vehicle. To obtain a class 2 certificate of operation, the owner must provide proof to the Department that the owner has obtained a certificate of verification of the vehicle identification number from the Department for the off-highway vehicle. The Department may charge and collect a fee for a certificate of verification of the vehicle identification number in an amount that is not more than the fee charged for a certificate of title. The fee for a class 2 certificate of operation is \$12.50, not including any fee charged and retained by an authorized dealer pursuant to NRS 490.070.~~

~~2. Except as otherwise provided in subsection 3, each certificate of operation is valid for 2 years after the date the certificate of operation is issued.~~

~~3. The Department shall not issue a class 2 certificate of operation on or after January 1, 2009. A class 2 certificate of operation that is issued before that date:~~

~~(a) May be renewed on or after that date; and~~

~~(b) If renewed, remains valid regardless of whether the owner of the off-highway vehicle sells or otherwise transfers ownership of the off-highway vehicle. (Deleted by amendment.)~~

~~Sec. 7. In addition to any fee collected pursuant to section 6 of this act, the Department shall charge and collect a fee in the amount of \$12.50 from each person who is issued a class 1 or class 2 certificate of operation or~~

~~whose class 1 or class 2 certificate of operation is renewed by the Department.] (Deleted by amendment.)~~

Sec. 8. (Deleted by amendment.)

Sec. 9. ~~[1. The Off Highway Vehicle Advisory Board, consisting of 13 members appointed by the Governor, is hereby created.~~

~~2. The Governor shall appoint to the Board:~~

~~(a) Seven members who reside in various geographical areas of this State, of which:~~

~~(1) One member must be a representative of a sportsmen's, hunting or agricultural organization of this State;~~

~~(2) One member must be a representative of a nationally recognized conservation organization in this State;~~

~~(3) One member must be a representative of an organization in this State interested in the promotion of off highway vehicle activities;~~

~~(4) One member must be a representative of an organization in this State involved in training persons in the safe use of off highway vehicles;~~

~~(5) One member must own or manage a business for the sale or repair of off highway vehicles; and~~

~~(6) Two members of the public at large;~~

~~(b) One member who is a representative of the Bureau of Land Management;~~

~~(c) One member who is a representative of the Division of Environmental Protection of the State Department of Conservation and Natural Resources;~~

~~(d) One member who is a representative of the Division of State Parks of the State Department of Conservation and Natural Resources;~~

~~(e) One member who is a representative of the United States Forest Service;~~

~~(f) One member who is a representative of the Department of Wildlife; and~~

~~(g) One member who is a representative of the Commission on Tourism.~~

~~3. After the initial terms, the members of the Board appointed pursuant to paragraph (a) of subsection 2 shall serve terms of 2 years. All other members shall serve at the pleasure of the Governor.~~

~~4. Members of the Board shall serve without compensation but are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.] (Deleted by amendment.)~~

Sec. 10. ~~[1. The Off Highway Vehicle Advisory Board shall:~~

~~(a) At its first meeting and annually thereafter, elect a Chairman from among its members;~~

~~(b) Meet at least once each calendar quarter and as requested by the call of the Chairman;~~

~~(c) Study the need for:~~

~~(1) Designated off highway vehicle roads and trails;~~

~~(2) Reclamation and restoration of existing trails, damaged land and wildlife habitats;~~

~~(3) Adopting a state certified training course in off-highway vehicle safety to provide training in safe, responsible and ethical riding, proper machine sizing, proper weight distribution, proper handling and shifting and riding within a person's level of ability.~~

~~(d) Advise appropriate agencies at the local, state and federal level on policies, programs and the appropriate facilities needed for the safe use of off-highway vehicles.~~

~~2. The Board may apply for grants and accept gifts, grants or donations to assist the Board in carrying out its duties pursuant to this section.~~

~~3. The Department shall provide administrative support to the Board.]~~
~~(Deleted by amendment.)~~

Sec. 11. ~~[NRS 490.010 is hereby amended to read as follows:~~

~~490.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 490.020 to 490.060, inclusive, and section 3 of this act have the meanings ascribed to them in those sections.]~~

~~(Deleted by amendment.)~~

Sec. 12. NRS 490.060 is hereby amended to read as follows:

490.060 1. "Off-highway vehicle" means a motor vehicle that is designed primarily for off-highway and all-terrain use. The term includes, but is not limited to:

- (a) An all-terrain vehicle;
- (b) An all-terrain motorcycle;
- (c) A dune buggy;
- (d) A snowmobile; and
- (e) Any motor vehicle used on public lands for the purpose of recreation.

2. The term does not include:

- (a) A motor vehicle designed primarily for use in water;
- (b) A motor vehicle that is registered by the Department ; ~~{of Motor Vehicles;}~~ or
- (c) A low-speed vehicle as defined in NRS 484.527.

Sec. 13. ~~[NRS 490.070 is hereby amended to read as follows:~~

~~490.070 1. Upon the request of a dealer of off-highway vehicles, the Department may authorize the dealer to [issue] receive and submit to the Department applications for the issuance or renewal of certificates of operation or the issuance of certificates of title for off-highway vehicles. [pursuant to subsection 3.]~~

~~2. Each certificate of operation for an off-highway vehicle [issued by an authorized dealer] must be in the form of a sticker approved by the Department.~~

~~3. An authorized dealer shall:~~

~~(a) [Upon the sale of] On or before the end of each month, submit to the Department each application for the issuance or renewal of a certificate of operation or issuance of certificate of title for an off-highway vehicle [, issue to the purchaser of the off-highway vehicle a certificate of operation for the off-highway vehicle;~~

~~(b) Upon request, issue a certificate of operation to a person who purchased the off highway vehicle before January 1, 2006;~~

~~(c) Issue a certificate of operation to the owner of an off highway vehicle that was purchased outside this State on or after January 1, 2006, if the owner:~~

~~(1) Requests the certificate of operation; and~~

~~(2) Pays or submits evidence satisfactory to the authorized dealer that he has paid all taxes applicable in this State to the purchase of the off highway vehicle or submits an affidavit indicating that he purchased the vehicle through a private party sale and no tax is due relating to the purchase of the off highway vehicle;]~~~~received during that month;~~

~~(b) Except as otherwise provided in subsection 5, submit to the Department all fees collected by the authorized dealer from each applicant and properly account for those fees each month;~~

~~(c) [(d)] Comply with the regulations adopted pursuant to subsection 6; and~~

~~[(e)] (d) Bear any cost of equipment which is required to [issue certificates] receive and submit to the Department an application for a certificate of operation [,] or certificate of title, including any computer software or hardware.~~

~~4. [An] Except as otherwise provided in subsection 5, an authorized dealer is not entitled to receive compensation [from the Department] for the performance of [those services.] any services pursuant to this section.~~

~~5. An authorized dealer [shall not charge or] may charge and collect a fee of not more than \$2 for [issuing] each application for a certificate of operation [,] received by the authorized dealer pursuant to this section. An authorized dealer may retain any fee collected by the authorized dealer pursuant to this subsection.~~

~~6. The Department shall adopt regulations to carry out the provisions of this section. The regulations must include, without limitation, provisions for:~~

~~(a) The expedient and secure issuance of:~~

~~(1) Forms for applying for the issuance and renewal of certificates of operation or the issuance of certificates of title;~~

~~(2) Certificates of operation and certificates of title by the Department to [authorized dealers; and] each applicant whose application is approved by the Department; and~~

~~(3) Renewal notices for certificates of operation before the date of expiration of the certificates of operation;~~

~~(b) The renewal of certificates of operation by mail;~~

~~(c) The collection of a fee of not more than \$25 for the renewal of a certificate of operation;~~

~~(d) The submission in person at the Department of an application for:~~

~~(1) The issuance of a certificate of operation, certificate of title or certificate of verification of a vehicle identification number for an off highway vehicle; or~~

~~(2) The renewal of a certificate of operation for an off-highway vehicle;~~
~~(e) The replacement of a lost or damaged certificate of operation or certificate of title;~~

~~(f) The imposition of an administrative fine in the amount of \$25 for each failure by an owner of an off-highway vehicle to obtain, within 30 days after acquiring ownership of the off-highway vehicle;~~

~~(1) A certificate of operation for the off-highway vehicle; and~~

~~(2) A certificate of title or certificate of verification of the vehicle identification number for the off-highway vehicle;~~

~~(g) Except as otherwise provided in paragraph (f), the imposition of an administrative fine in the amount of \$100 for each failure by an owner of an off-highway vehicle to obtain, within 1 year after acquiring ownership of the off-highway vehicle;~~

~~(1) A certificate of operation for the off-highway vehicle; and~~

~~(2) A certificate of title or certificate of verification of the vehicle identification number for the off-highway vehicle;~~

~~(h) The imposition of an administrative fine in the amount \$25 for each failure by an owner of an off-highway vehicle to renew the certificate of operation for the off-highway vehicle within 30 days after the date of expiration of the certificate of operation; and~~

~~(i) The revocation of the authorization granted to a dealer pursuant to subsection 1 if the authorized dealer fails to comply with the regulations.~~

~~7. The fee for issuing a certificate of title for an off-highway vehicle must not exceed the fee imposed for issuing a certificate of title pursuant to NRS 482.429.~~

~~8. The Department shall afford an opportunity for a hearing pursuant to NRS 233B.121 to any person who is fined pursuant to a regulation adopted pursuant to paragraph (f), (g) or (h) of subsection 6.] (Deleted by amendment.)~~

Sec. 14. ~~[NRS 490.080 is hereby amended to read as follows:~~

~~490.080 1. Except as otherwise provided in subsection [4,] 3, a person shall not operate an off-highway vehicle [on a highway pursuant to NRS 490.090 to 490.130, inclusive,] in this State unless he has:~~

~~(a) Obtained a certificate of operation for the off-highway vehicle; and~~

~~(b) Attached the certificate to the off-highway vehicle in the manner specified by the Department.~~

~~2. [If a certificate of operation for] Except as otherwise provided in subsection 3, each owner of an off-highway vehicle [is lost or destroyed, the owner] shall, within 30 days after he acquires ownership of the off-highway vehicle [may request a new], apply to an authorized dealer or in person at the Department for the issuance of a certificate of operation [from an authorized dealer.~~

~~3. If the owner of an off-highway vehicle sells or otherwise transfers ownership of] for the off-highway vehicle . [, the certificate of operation remains valid.~~

~~4.] 3. A certificate of operation is not required for an off-highway vehicle which:~~

~~(a) Is owned and operated by:~~

~~(1) A federal agency;~~

~~(2) An agency of this State; or~~

~~(3) A county, incorporated city or unincorporated town in this State;~~

~~(b) Has an engine having a displacement of not more than 90 cubic centimeters;~~

~~(c) Is used solely for racing on a private or closed race course for off-highway vehicles;~~

~~(d) Is part of the inventory of a dealer of off-highway vehicles;~~

~~[(e)] (e) Was manufactured before January 1, 1976;~~

~~(f) Is registered or certified in another state and is located in this State for not more than 90 days;~~

~~[(d)] (g) Is used solely for husbandry on private land or on public land that is leased to the owner or operator of the off-highway vehicle; or~~

~~[(e)] (h) Is used for work conducted by or at the direction of a public or private utility.~~

~~4. Except as otherwise provided in NRS 490.070, if a person violates a provision of this section, the Department shall impose against the person an administrative fine of not more than \$250. The Department shall afford to any person so fined an opportunity for a hearing pursuant to NRS 233B.121. (Deleted by amendment.)~~

Sec. 15. NRS 490.030 is hereby repealed.

Sec. 16. 1. Any dealer of off-highway vehicles who is an authorized dealer pursuant to NRS 490.070 before January 1, 2008, shall be deemed to be an authorized dealer by the Department of Motor Vehicles pursuant to that section. ~~[as amended by this act.]~~

2. Any certificate of operation issued for an off-highway vehicle by the Department of Taxation before January 1, 2008, shall be deemed to be a ~~class 2~~ certificate of operation issued for an off-highway vehicle by the Department of Motor Vehicles. ~~[for the purposes of paragraph (b) of subsection 1 of section 6 of this act.]~~

3. The regulations adopted by the Department of Taxation pursuant to NRS 490.070 become the regulations of the Department of Motor Vehicles on January 1, 2008, and ~~[to the extent that the regulations are consistent with the amendatory provisions of this act,]~~ remain in effect until amended or repealed by the Department of Motor Vehicles.

Sec. 17. ~~[1. As soon as practicable after the effective date of this section, the Governor shall solicit applications for the appointment of the members of the Off-Highway Vehicle Advisory Board created pursuant to section 9 of this act.~~

~~2. As soon as practicable after July 1, 2007, the Governor shall, after considering each application received pursuant to subsection 1, appoint the members of the Off-Highway Vehicle Advisory Board who are qualified~~

~~pursuant to paragraph (a) of subsection 2 of section 9 of this act to initial terms as follows:~~

~~(a) The members listed in subparagraphs (1), (2) and (3) to terms that expire on January 1, 2009; and~~

~~(b) The members listed in subparagraphs (4), (5) and (6) to terms that expire on January 1, 2010.] (Deleted by amendment.)~~

Sec. 18. This act becomes effective:

1. Upon passage and approval for purposes of ~~f~~.

~~(a) The appointment by the Governor of the members of the Off Highway Vehicle Advisory Board created pursuant to section 9 of this act; and~~

~~(b) The the adoption of regulations to carry out the provisions of this act;~~
and

2. On January 1, 2008, for all other purposes.

TEXT OF REPEALED SECTION

490.030 "Department" defined. "Department" means the Department of Taxation.

Senator Rhoads moved the adoption of the amendment.

Remarks by Senator Rhoads.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 578.

Bill read third time.

Remarks by Senator Raggio.

Roll call on Senate Bill No. 578:

YEAS—21.

NAYS—None.

Senate Bill No. 578 having received a two-thirds majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 196.

Bill read third time.

Remarks by Senators Beers and Rhoads.

Roll call on Assembly Bill No. 196:

YEAS—14.

NAYS—Beers, Cegavske, Hardy, Heck, Raggio, Townsend, Washington—7.

Assembly Bill No. 196 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 205.

Bill read third time.

Roll call on Assembly Bill No. 205:

YEAS—21.

NAYS—None.

Assembly Bill No. 205 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS
REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 328, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment Nos. 848 and 1027 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 33, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions governing educational personnel. (BDR 34-473)"

"AN ACT relating to educational personnel; revising provisions governing the monthly salaries of the members of the boards of trustees of school districts; requiring the board of trustees of each school district to adopt a program to engage certain administrators in annual classroom instruction, observation and other activities; making various changes regarding the evaluation and admonition of educational personnel; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law prescribes varying salaries for the officers and other members of the boards of trustees of school districts based on the number of pupils enrolled in the school district during the immediately preceding school year. (NRS 386.320) Section 2 of this bill revises provisions governing the salaries of the members of the boards of trustees of school districts based on the population of the county in which the school district is located. Section 2 also authorizes a member of the board of trustees to donate all or a part of his salary to a school within the school district or to the school district.

The board of trustees of a school district is authorized to employ a superintendent of schools, teachers and all other necessary employees. (NRS 391.100, 391.110, 391.120) Section 4 of this bill requires the board of trustees of each school district to adopt a program to engage administrators employed at the district level in annual classroom instruction, observation and other activities in a manner that is appropriate for the responsibilities, position and duties of the administrators.

Existing law requires each probationary teacher to be evaluated at least three times during each school year and a postprobationary teacher to be evaluated at least once each school year. (NRS 391.3125) Section 8 of this bill requires an administrator who is responsible for evaluating a teacher to personally observe that teacher in the classroom for not less than a cumulative total of 60 minutes during each evaluation period. If a deficiency is discovered during the evaluation process, every effort must be made to assist the teacher to correct the deficiency. Existing law prescribes the circumstances under which an administrator may admonish an employee. (NRS 391.313) Section 9 of this bill requires that, if an administrator admonishes a teacher, an admonition must include a description of the deficiencies of the teacher and the actions that are necessary to correct those deficiencies.

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

Section 1. NRS 386.290 is hereby amended to read as follows:

386.290 1. In addition to salaries ~~allowed under~~ required by NRS 386.320, a trustee ~~shall~~ must be allowed:

(a) His traveling expenses for traveling each way between his home and the place where board meetings are held at the rate authorized by law for state officers.

(b) His living expenses necessarily incurred while in actual attendance at board meetings at the rate authorized by law for state officers.

2. Claims for mileage and per diem allowances ~~[shall]~~ must be allowed and paid in the same manner as other claims against the school district fund are paid, but no claim for mileage and per diem allowances for living expenses ~~[shall]~~ must be allowed or paid to a trustee residing not more than 5 miles from the place where board meetings are held.

Sec. 2. NRS 386.320 is hereby amended to read as follows:

386.320 1. ~~[If the total pupil enrollment in the school district for the immediately preceding school year is less than 1,000:~~

~~(a) The clerk and president of the board of trustees may each receive a salary of \$85 for each board of trustees meeting they attend, not to exceed \$170 a month.~~

~~(b) The other trustees may each receive a salary of \$80 for each board of trustees meeting they attend, not to exceed \$160 a month.~~

~~(c) Each member of the board of trustees of a school district in a county whose population is less than ~~[100,000]~~ 20,000 must receive a salary of ~~[\$115 for each meeting of the board he attends, not to exceed \$215]~~ \$250 per month.~~

2. Each member of the board of trustees of a school district in a county whose population is 20,000 or more but less than 100,000 ~~for more]~~ must receive a salary of ~~[\$2,000]~~ \$400 per month.

3. Each member of the board of trustees of a school in a county whose population is 100,000 or more must receive a salary of \$750 per month.

4. A member of the board of trustees of a school district who receives a salary pursuant to this section may:

(a) Donate all or a part of the monthly salary that he receives to a school within the school district or to the school district; or

(b) In lieu of making a donation after he receives the salary, request that all or a part of his monthly salary be paid directly to a school within the school district or to the school district.

~~[[~~ 5. The board of trustees may hire a stenographer to take the minutes of the meetings of the board of trustees, and the stenographer may be paid a reasonable fee for each meeting attended.

~~[~~ 2. ~~If the total pupil enrollment in the school district for the immediately preceding school year is 1,000 or more:~~

~~(a) The clerk and president of the board of trustees may each receive a salary of \$85 for each board of trustees meeting they attend, not to exceed \$510 a month.~~

~~(b) The other trustees may each receive a salary of \$80 for each board of trustees meeting they attend, not to exceed \$480 a month.~~

~~(c) The board of trustees may hire a stenographer to take the minutes of the meetings of the board of trustees, and the stenographer may be paid a reasonable fee for each meeting attended.]~~

Sec. 3. NRS 387.310 is hereby amended to read as follows:

387.310 1. Except as otherwise provided by the board of trustees, the clerk of the board shall draw all orders for the payment of money belonging to the school district. The orders must be listed on cumulative voucher sheets.

2. The board of trustees shall prescribe the procedures by which the orders must be approved and the cumulative voucher sheets signed. The procedures must provide:

(a) That the approval of the board of trustees is required before orders are paid unless a payment must be expedited for the school district to:

(1) Receive a discount or other savings which is related to the timeliness of payment;

(2) Avoid a service charge or other cost which is related to the timeliness of payment; or

(3) Abide by a purchase order, contract or other order for payment which has been approved by the board of trustees at a public meeting.

(b) For ratification by the board of trustees at its next regularly scheduled meeting of any payment that is made without the approval of the board pursuant to an exception set forth in paragraph (a).

3. When the orders have been approved and the cumulative voucher sheets have been signed in accordance with such procedures, the orders are valid vouchers in the hands of the county auditor for him to issue warrants on the county treasurer to be paid out of money belonging to the school district.

4. No order in favor of the board of trustees or any member thereof, except for salaries as ~~authorized~~ required by NRS 386.320 ~~[authorized]~~ or travel expenses and subsistence ~~of trustees or for services of any trustee as clerk of the board,~~ as authorized by NRS 386.290, may be drawn.

5. No order for salary for any teacher may be drawn unless the teacher is included in the directory of teachers supplied to the clerk of the board of trustees pursuant to the provisions of NRS 391.045.

6. An order drawn by a clerk of a board of trustees pursuant to subsection 1 is void if not presented for payment within 1 year after the date of issuance.

7. Any order remaining unpaid after the expiration of 1 year, whether outstanding or uncalled for in the office of the county auditor, must be cancelled by the county auditor, who shall immediately notify the county treasurer of the cancellation. The county treasurer shall not pay a warrant presented for payment more than 1 year after the date of issuance of such an order. This subsection does not apply if the board of trustees establishes and administers a separate account pursuant to NRS 354.603.

Sec. 4. Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The board of trustees of each school district shall adopt a policy that sets forth procedures and conditions for a program to engage administrators employed by the school district at the district level in annual classroom instruction, observation and other activities in a manner that is appropriate for the responsibilities, position and duties of the administrators. The policy must require each administrator employed by the school district at the district level to:*

(a) If he holds a license to teach, provide instruction in a core academic subject in a classroom for at least 1 regularly scheduled full instructional day in each school year; or

(b) If he does not hold a license to teach:

(1) Personally observe a classroom for at least one-half of a regularly scheduled full instructional day in each school year; or

(2) Otherwise participate in activities with pupils in the classroom in each school year, including, without limitation, serving as a guest speaker in the classroom, reading to pupils in elementary school and participating in career day.

2. *A district level administrator may choose a school within the school district at which he will carry out the requirements of this section.*

3. *An administrator who provides instruction pursuant to paragraph (a) of subsection 1 must be assigned as a substitute teacher for the full instructional day in which he carries out the requirements of this section.*

4. *The provisions of this section do not apply to administrators who are employed by a school district to provide administrative service at the school level, including, without limitation, a principal or vice principal.*

5. *As used in this section, "core academic subject" means the core academic subjects designated pursuant to NRS 389.018.*

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. NRS 391.3125 is hereby amended to read as follows:

391.3125 1. It is the intent of the Legislature that a uniform system be developed for objective evaluation of teachers and other licensed personnel in each school district.

2. Each board, following consultation with and involvement of elected representatives of the teachers or their designees, shall develop a policy for objective evaluations in narrative form. The policy must set forth a means according to which an employee's overall performance may be determined to be satisfactory or unsatisfactory. The policy may include an evaluation by the teacher, pupils, administrators or other teachers or any combination thereof. In a similar manner, counselors, librarians and other licensed personnel must be evaluated on forms developed specifically for their respective specialties. A copy of the policy adopted by the board must be filed with the Department. The primary purpose of an evaluation is to provide a format for constructive assistance. Evaluations, while not the sole criterion, must be used in the dismissal process.

3. A conference and a written evaluation for a probationary employee must be concluded ~~[no]~~ not later than:

- (a) December 1;
- (b) February 1; and
- (c) April 1,

→ of each school year of the probationary period, except that a probationary employee assigned to a school that operates all year must be evaluated at least three times during each 12 months of employment on a schedule determined by the board. *An administrator charged with the evaluation of a probationary teacher shall personally observe the performance of the teacher in the classroom for not less than a cumulative total of 60 minutes during each evaluation period, with at least one observation during that 60-minute evaluation period consisting of at least 45 consecutive minutes.*

4. Whenever an administrator charged with the evaluation of a probationary employee believes the employee will not be reemployed for the second year of the probationary period or the school year following the probationary period, he shall bring the matter to the employee's attention in a written document which is separate from the evaluation ~~[no]~~ not later than ~~[February 15]~~ March 1 of the current school year. The notice must include the reasons for the potential decision not to reemploy or refer to the evaluation in which the reasons are stated. Such a notice is not required if the probationary employee has received a letter of admonition during the current school year.

5. Each postprobationary teacher must be evaluated at least once each year. *An administrator charged with the evaluation of a postprobationary teacher shall personally observe the performance of the teacher in the classroom for not less than a cumulative total of 60 minutes during each evaluation period, with at least one observation during that 60-minute evaluation period consisting of at least 30 consecutive minutes.*

6. The evaluation of a probationary teacher or a postprobationary teacher must ~~[, if]~~ include, without limitation:

- (a) *An evaluation of the classroom management skills of the teacher;*
- (b) *A review of the lesson plans and the work log or grade book of pupils prepared by the teacher;*
- (c) *An evaluation of whether the curriculum taught by the teacher is aligned with the standards of content and performance established pursuant to NRS 389.520, as applicable for the grade level taught by the teacher;*
- (d) *An evaluation of whether the teacher is appropriately addressing the needs of the pupils in the classroom, including, without limitation, special educational needs, cultural and ethnic diversity, the needs of pupils enrolled in advanced courses of study and the needs of pupils who are limited English proficient;*
- (e) *If necessary, ~~[include]~~ recommendations for improvements in ~~[his]~~ the performance ~~[A reasonable effort must be made to assist the teacher to correct any deficiencies noted in the evaluation]~~ of the teacher;*
- (f) *A description of the action that will be taken to assist the teacher in correcting any deficiencies reported in the evaluation; and*
- (g) *A statement by the administrator who evaluated the teacher indicating the amount of time that the administrator personally observed the performance of the teacher in the classroom.*

7. The teacher must receive a copy of each evaluation not later than 15 days after the evaluation. A copy of the evaluation and the teacher's response must be permanently attached to the teacher's personnel file. *Upon the request of a teacher, a reasonable effort must be made to assist the teacher to correct those deficiencies reported in the evaluation of the teacher for which the teacher requests assistance.*

Sec. 9. NRS 391.313 is hereby amended to read as follows:

391.313 1. Whenever an administrator charged with supervision of a licensed employee believes it is necessary to admonish the employee for a reason that he believes may lead to demotion ~~[,]~~ or dismissal or may cause the employee not to be reemployed under the provisions of NRS 391.312, he shall:

- (a) Except as otherwise provided in subsection ~~[2,]~~ 3, bring the matter to the attention of the employee involved, in writing, stating the reasons for the admonition and that it may lead to his

demotion, dismissal or a refusal to reemploy him, and make a reasonable effort to assist the employee to correct whatever appears to be the cause for his potential demotion, dismissal or a potential recommendation not to reemploy him; and

(b) Except as otherwise provided in NRS 391.314, allow reasonable time for improvement, which must not exceed 3 months for the first admonition.

➤ *The admonition must include a description of the deficiencies of the teacher and the action that is necessary to correct those deficiencies.*

2. An admonition issued to a licensed employee who, within the time granted for improvement, has met the standards set for him by the administrator who issued the admonition must be removed from the records of the employee together with all notations and indications of its having been issued. The admonition must be removed from the records of the employee not later than 3 years after it is issued.

~~[2.]~~ 3. An administrator need not admonish an employee pursuant to paragraph (a) of subsection 1 if his employment will be terminated pursuant to NRS 391.3197. If by ~~February 15~~ *March 1* of the first or second year of his probationary period a probationary employee does not receive a written notice pursuant to subsection 4 of NRS 391.3125 of a potential decision not to reemploy him, he must receive an admonition before any such decision is made.

~~[3.]~~ 4. A licensed employee is subject to immediate dismissal or a refusal to reemploy according to the procedures provided in NRS 391.311 to 391.3197, inclusive, without the admonition required by this section, on grounds contained in paragraphs (b), (f), (g), (h) and (p) of subsection 1 of NRS 391.312.

Sec. 10. NRS 391.3197 is hereby amended to read as follows:

391.3197 1. A probationary employee is employed on a contract basis for two 1-year periods and has no right to employment after either of the two probationary contract years.

2. The board shall notify each probationary employee in writing on or before May 1 of the first and second school years of his probationary period, as appropriate, whether he is to be reemployed for the second year of the probationary period or for the next school year as a postprobationary employee. The employee must advise the board in writing on or before May 10 of the first or second year of his probationary period, as appropriate, of his acceptance of reemployment. If a probationary employee is assigned to a school that operates all year, the board shall notify him in writing, in both the first and second years of his probationary period, no later than 45 days before his last day of work for the year under his contract whether he is to be reemployed for the second year of the probationary period or for the next school year as a postprobationary employee. He must advise the board in writing within 10 days after the date of notification of his acceptance or rejection of reemployment for another year. Failure to advise the board of his acceptance of reemployment constitutes rejection of the contract.

3. A probationary employee who completes his 2-year probationary period and receives a notice of reemployment from the school district in the second year of his probationary period is entitled to be a postprobationary employee in the ensuing year of employment.

4. ~~[A.] If a probationary employee [who receives an unsatisfactory evaluation] receives notice pursuant to subsection 4 of NRS 391.3125 not later than March 1 of a potential decision not to reemploy him, the employee~~ may request a supplemental evaluation by another administrator in the school district selected by him and the superintendent. If a school district has five or fewer administrators, the supplemental evaluator may be an administrator from another school district in ~~the~~ *this* State. If a probationary employee has received during the first school year of his probationary period three evaluations which state that the employee's overall performance has been satisfactory, the superintendent of schools of the school district or his designee shall waive the second year of the employee's probationary period by expressly providing in writing on the final evaluation of the employee for the first probationary year that the second year of his probationary period is waived. Such an employee is entitled to be a postprobationary employee in the ensuing year of employment.

5. If a probationary employee is notified that he will not be reemployed for the second year of his probationary period or the ensuing school year, his employment ends on the last day of the current school year. The notice that he will not be reemployed must include a statement of the reasons for that decision.

6. A new employee or a postprobationary teacher who is employed as an administrator shall be deemed to be a probationary employee for the purposes of this section and must serve a 2-year probationary period as an administrator in accordance with the provisions of this section. If the administrator does not receive an unsatisfactory evaluation during the first year of probation, the superintendent or his designee shall waive the second year of the administrator's probationary period. Such an administrator is entitled to be a postprobationary employee in the ensuing year of employment. If:

(a) A postprobationary teacher who is an administrator is not reemployed as an administrator after either year of his probationary period; and

(b) There is a position as a teacher available for the ensuing school year in the school district in which the person is employed,

the board of trustees of the school district shall, on or before May 1, offer the person a contract as a teacher for the ensuing school year. The person may accept the contract in writing on or before May 10. If the person fails to accept the contract as a teacher, the person shall be deemed to have rejected the offer of a contract as a teacher.

7. An administrator who has completed his probationary period pursuant to subsection 6 and is thereafter promoted to the position of principal must serve an additional probationary period of 1 year in the position of principal. If the administrator serving the additional probationary period is not reemployed as a principal after the expiration of the additional probationary period, the board of trustees of the school district in which the person is employed shall, on or before May 1, offer the person a contract for the ensuing school year for the administrative position in which the person attained postprobationary status. The person may accept the contract in writing on or before May 10. If the person fails to accept such a contract, the person shall be deemed to have rejected the offer of employment.

8. Before dismissal, the probationary employee is entitled to a hearing before a hearing officer which affords due process as set out in NRS 391.311 to 391.3196, inclusive.

Sec. 11. On or before February 1, 2008, the board of trustees of each school district shall submit a copy of the program to engage administrators in annual classroom instruction, observation and other activities adopted by the school district pursuant to section 4 of this act to the Legislative Committee on Education and to the Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature.

Sec. 12. Notwithstanding the provisions of NRS 386.320, as amended by section 2 of this act, to the contrary, the salaries of the members of the board of trustees of a school district are not required to be increased pursuant to that section until ~~July 1, 2008.~~ January 1, 2009. The board of trustees of a school district may, by affirmative vote, provide for the increase of salaries pursuant to NRS 386.320, as amended by section 2 of this act, before January 1, 2009.

Sec. 13. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 14. This act becomes effective on July 1, 2007.

JOHN J. LEE

MIKE MCGINNESS

MAURICE E. WASHINGTON

Senate Conference Committee

TICK SEGERBLOM

DEBBIE SMITH

LYNN STEWART

Assembly Conference Committee

Senator Lee moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 328.

Remarks by Senator Lee.

Motion carried on a division of the house by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 127, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 792 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 28, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions relating to ~~[interception of wire communications]~~ the collection of debts by collection agencies. (BDR 54-1049)"

"AN ACT relating to ~~[communications]~~ collection agencies; clarifying ~~[that a person may record certain telephone calls made by]~~ when collection agents and collection agencies ~~[after providing notice that the call is being recorded and making a statement to that effect on the recording]~~ may record telephone calls; providing that violations of the provisions of the federal Fair Debt Collection Practices Act are deemed violations of certain provisions governing collection agencies; requiring a collection agency which collects a debt on behalf of a hospital to provide certain notice to a debtor; specifying the manner in which a collection agency must verify a debt; making various other changes concerning collection agencies and collection agents; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law generally requires two-party consent before a person may record a telephone conversation. (NRS 200.620) The Nevada Supreme Court has interpreted existing law to prohibit a person from recording his own telephone conversations unless the other party to the conversation gives prior consent to the recording. (*Lane v. Allstate Ins. Co.*, 114 Nev. 1176 (1998)) Existing law also prohibits the surreptitious listening, monitoring or recording of private conversations engaged in by other persons. (NRS 200.650)

Section 4 of this bill provides that, after providing notice to the collection agency or collection agent that the telephone call is being recorded and making a statement to that effect on the recording, a person may record any telephone call concerning a debt which is owed or asserted to be owed by the person if the telephone call is initiated by a collection agency or collection agent and received by the person who owes or is alleged to owe the debt.

Section 5 of this bill provides that a violation of any provision of the federal Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq., or any regulation adopted pursuant thereto, shall be deemed to be a violation of chapter 649 of NRS governing collection agencies.

Section 6 of this bill provides that, to verify a debt, a collection agency is required to obtain certain documents from the creditor and mail those documents to the debtor. Section 6 also requires a collection agency that is collecting a debt on behalf of a hospital to provide certain information to a debtor not later than 5 days after the initial communication with the debtor in connection with the collection of the debt.

Existing law exempts certain persons from obtaining a collection agency license in Nevada if certain conditions are met. (NRS 649.075) Section 7 of this bill removes that exemption and requires all such persons to either register as a foreign collection agency or obtain a license.

Existing law requires each applicant for a license as a collection agency or collection agent to submit proof of certain information to the Commissioner of Financial Institutions, including, without limitation, proof that the applicant will maintain one or more offices in this State for the transaction of the business of his collection agency. (NRS 649.085) Section 8 of this bill allows the applicant to satisfy this requirement by submitting proof that the applicant will maintain one or more such offices in another state.

Section 9 of this bill removes the requirement that a person must hold a license in another state in order to be registered as a foreign collection agency in Nevada. Section 9 also limits the activities of a registered foreign collection agency to collecting from residents of this State on behalf of residents of another state. (NRS 649.171)

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. (Deleted by amendment.)

Sec. 3.5. Chapter 649 of NRS is hereby amended by adding thereto the provisions set forth as sections 4, 5 and 6 of this act.

Sec. 4. ~~[Chapter 649 of NRS is hereby amended by adding thereto a new section to read as follows:]~~

1. After providing notice that the telephone conversation will be recorded, a person may record any telephone call that:

(a) Concerns a claim which is owed or asserted to be owed by the person;

- (b) Is made by a collection agency or collection agent; and
- (c) Is received by the person.

2. A person who records a telephone call pursuant to this section is required to make a statement immediately after the recording begins that the telephone call is being recorded.

3. As used in this section, "record" means the acquisition of the contents of a wire communication through the use of a recording device.

Sec. 5. A violation of any provision of the federal Fair Debt Collection Practices Act, 15 U.S.C. §§ 1682 et seq., or any regulation adopted pursuant thereto, shall be deemed to be a violation of this chapter.

Sec. 6. 1. To verify a debt, a collection agency shall:

(a) Obtain or attempt to obtain from the creditor any document that is not in the possession of the collection agency and is reasonably responsive to the dispute of the debtor, if any; and

(b) If such a document is obtained, mail the document to the debtor.

2. When collecting a debt on behalf of a hospital, within 5 days after the initial communication with the debtor in connection with the collection of the debt, a collection agency shall, unless the following information is included in the initial communication, send a written notice to the debtor that includes a statement indicating that:

(a) If the debtor pays or agrees to pay the debt or any portion of the debt, the payment or agreement to pay may be construed as:

(1) An acknowledgement of the debt by the debtor; and

(2) A waiver by the debtor of any applicable statute of limitations set forth in NRS 11.190 that otherwise precludes the collection of the debt; and

(b) If the debtor does not understand or has questions concerning his legal rights or obligations relating to the debt, the debtor should seek legal advice.

3. As used in this section, "hospital" has the meaning ascribed to it in NRS 449.012.

Sec. 7. NRS 649.075 is hereby amended to read as follows:

649.075 1. Except as otherwise provided in this section, a person shall not conduct within this State a collection agency or engage within this State in the business of collecting claims for others, or of soliciting the right to collect or receive payment for another of any claim, or advertise, or solicit, either in print, by letter, in person or otherwise, the right to collect or receive payment for another of any claim, or seek to make collection or obtain payment of any claim on behalf of another without having first applied for and obtained a license from the Commissioner.

2. ~~A person is not required to obtain a license if:~~

~~(a) The collection agency he works for is located outside of this State;~~

~~(b) His activities in this State are limited to the collection of claims from residents of this State on behalf of residents of another state; and~~

~~(c) His contact with persons in this State is limited to interstate communications by telephone, mail or facsimile.~~

~~3.~~ A person is not required to obtain a license if the person holds a certificate of registration as a foreign collection agency issued by the Commissioner pursuant to NRS 649.171.

Sec. 8. NRS 649.085 is hereby amended to read as follows:

649.085 Every individual applicant, every officer and director of a corporate applicant, and every member of a firm or partnership applicant for a license as a collection agency or collection agent must submit proof satisfactory to the Commissioner that he:

1. Is a citizen of the United States or lawfully entitled to remain and work in the United States.

2. Has a good reputation for honesty, trustworthiness and integrity and is competent to transact the business of a collection agency in a manner which protects the interests of the general public.

3. Has not had a collection agency license suspended or revoked within the 10 years immediately preceding the date of the application.

4. Has not been convicted of, or entered a plea of nolo contendere to:

(a) A felony relating to the practice of collection agencies or collection agents; or

(b) Any crime involving fraud, misrepresentation or moral turpitude.

5. Has not made a false statement of material fact on his application.
 6. Will maintain one or more offices in this State or one or more offices in another state for the transaction of the business of his collection agency.

7. Has established a plan to ensure that his collection agency will provide the services of a collection agency adequately and efficiently.

Sec. 9. NRS 649.171 is hereby amended to read as follows:

649.171 1. A person who is not licensed in this State as a collection agency may apply to the Commissioner for a certificate of registration as a foreign collection agency.

2. To be issued and to hold a certificate of registration as a foreign collection agency, a person:

(a) ~~(a)~~ ~~Must hold a license or permit to do business as a collection agency in another state;~~

~~(b)~~ Must meet the qualifications to do business as a collection agency in this State;

~~(c)~~ (b) Must not have any employees or agents present in this State who engage in the collection of claims and must not maintain any business locations in this State as a collection agency;

~~(d)~~ (c) Must submit proof to the Commissioner, upon application and upon each annual renewal of the ~~(certification)~~ certificate of registration, that the person and his employees and agents will not, in this State:

(1) Engage in the business of soliciting the right to collect or receive payment for another of any claim; ~~and~~

(2) Respond to a bid, proposal or invitation for the right to collect or receive payment for another of any claim, unless the bid, proposal or invitation is for the collection of claims owed by residents of another state; or

(3) Advertise or solicit, either in print, by letter, in person or otherwise, the right to collect or receive payment for another of any claim;

~~(e)~~ (d) When collecting claims against debtors who are present in this State, must:

(1) Limit his activities and those of his employees and agents to interstate communications by telephone, mail or facsimile; ~~and~~

(2) Limit his activities and those of his employees and agents to the collection of claims from residents of this State on behalf of residents of another state; and

(3) Comply with the requirements of NRS 649.305 to 649.375, inclusive, and section 5 of this act with regard to his activities and those of his employees and agents;

~~(f)~~ (e) Must pay:

(1) A fee to apply for a certificate of registration of not less than \$200 ~~and not more than \$600~~, prorated on the basis of the registration year as determined by the Commissioner; and

(2) An annual renewal fee of not more than \$200;

~~(g)~~ (f) Must deposit and maintain a bond or an appropriate substitute for the bond in the same manner as an applicant or licensee pursuant to NRS 649.105, 649.115 and 649.119;

~~(h)~~ (g) Must maintain his accounts, books and records in accordance with generally accepted accounting principles and in accordance with the requirements of subsection 1 of NRS 649.335; and

~~(i)~~ (h) Must pay any fees related to any examination of his accounts, books and records conducted by the Commissioner pursuant to subsection 3.

3. The Commissioner may conduct an annual examination and any additional examinations pursuant to NRS 649.335 of the accounts, books and records of each person who holds a certificate of registration as a foreign collection agency.

4. The Commissioner may take disciplinary action pursuant to NRS 649.385, 649.390 and 649.395 against a person who holds a certificate of registration as a foreign collection agency for any act or omission that would be grounds for taking such disciplinary action under those sections.

5. The Commissioner shall adopt:

(a) Regulations establishing the amount of the fees required pursuant to this section; and

(b) Any other regulations as may be necessary to carry out the provisions of this section.

Sec. 10. 1. This section and sections 3.5 to 6, inclusive, 8 and 9 of this act become effective upon passage and approval.

2. Section 7 of this act becomes effective on January 1, 2008.

MAURICE E. WASHINGTON
 MIKE MCGINNESS
 VALERIE WIENER

Senate Conference Committee

BERNIE ANDERSON
 DEBBIE SMITH
 BOB BEERS

Assembly Conference Committee

Senator Washington moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 127.

Remarks by Senator Washington.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 461, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 803 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 12, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes certain changes concerning sales and use taxes. (BDR S-1333)"

"AN ACT relating to taxation; providing for certain reporting requirements and the review of certain expenditures relating to the Clark County Sales and Use Tax Act of 2005; authorizing the Board of County Commissioners of Nye County to increase the sales and use tax to support public safety services in Nye County; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

The Clark County Sales and Use Tax Act of 2005 authorized the Board of County Commissioners of Clark County to impose up to one-half of 1 percent sales and use tax to employ and equip additional police officers for various police departments in Clark County. Section 1 of this bill adds a requirement that any governmental entity that authorizes expenditures from the tax revenues for a police department must submit periodic reports to the Legislature concerning the use of that money, and authorizes the Legislative Commission to review and investigate those expenditures.

Sections 3-22 of this bill are modeled on the provisions of the Clark County Sales and Use Tax Act of 2005, and authorize the Board of County Commissioners of Nye County to impose an additional sales tax of up to one-half of 1 percent for the purposes of recruiting, employing and equipping additional firefighters, deputy sheriffs and other public safety personnel and constructing, improving and equipping public safety facilities in Nye County. Any proposed change in the use of the proceeds of the tax must be submitted to the voters and be approved by the Legislature. Section 17.5 of this bill contains requirements identical to those in section 1 of this bill concerning reporting of expenditures of the tax revenues and the review and investigation of those expenditures.

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

Section 1. The Clark County Sales and Use Tax Act of 2005, being chapter 249, Statutes of Nevada 2005, at page 912, is hereby amended by adding thereto a new section to be designated as section 13.5, immediately following section 13, to read as follows:

Sec. 13.5. 1. Any governing body that has approved expenditures pursuant to section 13 of this Act shall submit to the Director of the Legislative Counsel Bureau for transmittal to the members of the Legislature or the Legislative Commission when the Legislature is not in regular session, the periodic reports required pursuant to this section and such other information relating to the provisions of this Act as may be requested by the Director of the Legislative Counsel Bureau.

2. The reports required pursuant to this section must be submitted:

(a) On or before:

(1) February 15 for the 3-month period ending on the immediately preceding December 31;

(2) May 15 for the 3-month period ending on the immediately preceding March 31;

(3) August 15 for the 3-month period ending on the immediately preceding June 30; and

(4) November 15 for the 3-month period ending on the immediately preceding September 30; and

(b) On or before August 15 for the 12-month period ending on the immediately preceding June 30.

3. Each report must be submitted on a form provided by the Director of the Legislative Counsel Bureau and include, with respect to the period covered by the report:

(a) The total proceeds received by the respective police department from the sales and use tax imposed pursuant to this Act;

(b) A detailed description of the use of the proceeds, including, without limitation:

(1) The total expenditures made by the respective police department from the sales and use tax imposed pursuant to this Act;

(2) The total number of police officers hired by the police department and the number of those officers that are filling authorized, funded positions for new officers; and

(3) A detailed analysis of the manner in which each expenditure:

(I) Conforms to all provisions of this Act; and

(II) Does not replace or supplant funding which existed before October 1, 2005, for the police department; and

(c) Any other information required to complete the form for the report.

4. The Legislative Commission may review and investigate the reports submitted pursuant to this section and the expenditure of any proceeds pursuant to section 13 of this Act.

Sec. 2. Notwithstanding the provisions of section 1 of this act, the report submitted pursuant to section 1 of this act by a governing body to the Director of the Legislative Counsel Bureau on or before November 15, 2007, must separately cover:

1. The period beginning on October 1, 2005, and ending on September 30, 2007; and

2. The period beginning on July 1, 2006, and ending on June 30, 2007.

Sec. 3. Sections 3 to 22, inclusive, of this act may be cited as the Nye County Sales and Use Tax Act of 2007.

Sec. 4. The Legislature hereby finds and declares that:

1. Nye County has experienced and continues to experience substantial growth, growing from a population of 32,485 residents in 2000 to a projected population of over 44,580 residents in 2006;

2. Nye County is the third largest county in terms of geographic area in the United States and the growth in Nye County has occurred over this wide geographical area;

3. The increase in the number of public safety personnel and facilities to protect the residents of Nye County has not kept pace with this growth;

4. The danger from fire and crime is increasing in Nye County, and so is the time it takes for public safety personnel to respond when a resident reports a fire or crime;

5. It is intended that the Board of County Commissioners of Nye County establish a program that promotes community participation in protecting the residents of the community that includes, without limitation:

(a) A written policy on providing public safety services oriented toward the involvement of residents of the community;

(b) The provision of training for all public safety personnel employed in the County that includes, without limitation, training relating to:

(1) Methods that may be used to analyze, respond to and solve problems commonly confronted by public safety personnel in the community;

(2) The cultural and racial diversity of the residents of the community;

(3) The proper utilization of community resources, such as local housing authorities, public utilities and local public officials, that are available to assist in providing public safety services; and

(4) Issues concerning not only the prevention of fires and crime, but also improving the quality of life for the residents of the community; and

(c) The formation of partnerships with the residents of the community and public and private agencies and organizations to address mutual concerns relating to the provision of public safety services;

6. A general law cannot be made applicable to the purposes, objects, powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act because of the demographic, economic and geographic diversity of the local governments of this State, the unique growth patterns occurring in Nye County and the special financial conditions experienced in the County relating to the need to recruit, employ and equip more public safety personnel and to construct, improve and equip public safety facilities; and

7. The powers, rights, privileges, immunities, liabilities, duties and disabilities provided in this act comply in all respects with any requirement or limitation pertaining thereto and imposed by any constitutional provisions.

Sec. 5. Except as otherwise provided in this act or unless the context otherwise requires, the terms used or referred to in this act have the meanings ascribed to them in chapter 374 of NRS, as from time to time amended, but the definitions in sections 6 to 13, inclusive, of this act, unless the context otherwise requires, govern the construction of this act.

Sec. 6. "Act" means the Nye County Sales and Use Tax Act of 2007.

Sec. 7. "Board" means the Board of County Commissioners of Nye County.

Sec. 8. "County" means Nye County.

Sec. 9. "County Treasurer" means the County Treasurer of Nye County.

Sec. 10. "Department" means the Department of Taxation created pursuant to NRS 360.120.

Sec. 11. "Employ" means making an expenditure for the purpose of providing employment, including, without limitation, paying wages and benefits.

Sec. 12. "Recruit" means making an expenditure for the purpose of attracting applicants for employment or persuading an applicant to accept employment, including, without limitation, providing materials and services relating to recruitment, paying signing bonuses, paying expenses relating to relocation and providing assistance with the purchase of a house.

Sec. 13. "Sheriff" means the Sheriff of Nye County.

Sec. 14. 1. The Board may enact an ordinance imposing a local sales and use tax to:

(a) Recruit, employ and equip additional firefighters, deputy sheriffs to the Sheriff and other public safety personnel;

(b) Improve and equip existing public safety facilities; and

(c) Construct and equip new public safety facilities.

2. Before enacting such an ordinance, the Board shall hold a public hearing to present its plan for implementing the local sales and use tax.

3. The proceeds from the tax authorized pursuant to this section, including interest and other income earned thereon, must be:

(a) Allocated for expenditure:

(1) In the areas of Pahrump, Amargosa Valley, Beatty, Tonopah, Round Mountain, Manhattan, Gabbs and any other town or city created in Nye County after October 1, 2007, and in the remaining unincorporated area of Nye County on a pro rata basis in each of those areas based upon the ratio of the population of that area to the total population of Nye County; or

(2) In any other manner that the Board and the governing body of each of those areas agree to be appropriate to carry out the purposes set forth in subsection 1 in accordance with the provisions of section 17 of this act.

➡ As used in this paragraph, "population" means the estimated annual population determined pursuant to NRS 360.283.

(b) Used only as approved pursuant to section 17 of this act and only for the purposes set forth in subsection 1 unless the Legislature changes the use. The Board shall, before submitting to the Legislature any request to change the uses for the proceeds from the tax, submit an advisory question to the voters of the County pursuant to NRS 293.482, asking whether the uses for the proceeds from the tax should be so changed. The Board shall not submit such a request to the Legislature if a majority of the voters in the County disapprove the proposed change.

Sec. 15. An ordinance enacted pursuant to this act must include provisions in substance as follows:

1. A provision imposing a tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail or stored, used or otherwise consumed in the County, including incorporated cities in the County, at a rate that does not exceed one-half of 1 percent.

2. Provisions substantially identical to those contained in chapter 374 of NRS, insofar as applicable.

3. A provision that an amendment to chapter 374 of NRS enacted after the effective date of the ordinance, not inconsistent with this act, automatically becomes part of the ordinance imposing the tax.

4. A provision that the Board shall contract with the Department, before the effective date of the ordinance, to perform all the functions incident to the administration or operation of the tax in the County.

5. A provision that a purchaser is entitled to a refund, in accordance with the provisions of NRS 374.635 to 374.720, inclusive, of the amount of the tax required to be paid that is attributable to the tax imposed on the sale of, and the storage, use or other consumption in the County, including incorporated cities in the County, of, tangible personal property used for the performance of a written contract for the construction of an improvement to real property:

(a) That was entered into on or before the effective date of the tax; or

(b) For which a binding bid was submitted before that date if the bid was afterward accepted, and pursuant to the terms of the contract or bid, the contract price or bid amount may not be adjusted to reflect the imposition of the tax.

6. A provision that specifies the date on which the tax must first be imposed, which must not be earlier than the first day of the second calendar month following the effective date of the ordinance.

Sec. 16. An ordinance amending an ordinance enacted pursuant to this act, except an ordinance authorizing the issuance of bonds or other securities, must include a provision in substance that the Board shall amend a contract made pursuant to subsection 4 of section 15 of this act by a contract made between the Board and the Department before the effective date of the amendatory ordinance, unless the Board determines with the written concurrence of the Department that no such amendment of the contract is needed.

Sec. 17. 1. The proceeds received from any sales and use tax imposed pursuant to this act must be expended in each of the areas to which those proceeds are allocated for expenditure pursuant to section 14 of this act in such a manner that half of those proceeds are expended for the support of the services provided by local fire departments in that area and the remaining half of those proceeds are expended for the support of the services provided by the Sheriff in that area.

2. No expenditure of those proceeds may be made unless the expenditure has been approved by the governing body of the area to which those proceeds have been allocated for expenditure. The governing body must approve the expenditure of the proceeds if it determines that:

(a) The proposed use of the money conforms to all provisions of this act; and

(b) The proposed use will not replace or supplant existing funding for the purposes set forth in subsection 1 of section 14 of this act for the support of the services provided by local fire departments and the Sheriff in that area.

3. In determining whether a proposed use meets the requirement set forth in paragraph (b) of subsection 2, the governing body shall determine whether the amount approved for expenditure for the fiscal year for the purposes set forth in subsection 1 of section 14 of this act for the support of the services of local fire departments and the Sheriff in that area, not including any money received or expended pursuant to this act, is equal to or greater than the amount approved for expenditure in the immediately preceding fiscal year for the purposes set forth in subsection 1 of section 14 of this act for the support of the services of local fire departments and the Sheriff in that area.

Sec. 17.5. 1. Any governing body of an area that has approved expenditures pursuant to section 17 of this act shall ~~on or before September 1 of each year~~ submit ~~to the Director of the Legislative Counsel Bureau for transmittal to the members of the Legislature, or the Legislative Commission when the Legislature is not in regular session, the periodic reports required pursuant to this section and such other information relating to the provisions of this act as may be requested by the Director of the Legislative Counsel Bureau.~~

2. The reports required pursuant to this section must be submitted:

(a) On or before:

(1) February 15 for the 3-month period ending on the immediately preceding December 31;

(2) May 15 for the 3-month period ending on the immediately preceding March 31;

(3) August 15 for the 3-month period ending on the immediately preceding June 30; and

(4) November 15 for the 3-month period ending on the immediately preceding September 30; and

(b) On or before August 15 for the 12-month period ending on the immediately preceding June 30.

3. Each report must be submitted on a form provided by the Director of the Legislative Counsel Bureau and include, with respect to the period covered by the report:

(a) The total proceeds received by the respective local fire departments and the Sheriff from the sales and use tax imposed pursuant to this act;

(b) A detailed description of the use of the ~~(money)~~ proceeds, including, without limitation ~~(a)~~:

(1) The total expenditures made by the respective local fire departments and the Sheriff for the purposes set forth in subsection 1 of section 14 of this act for the support of the services provided by the respective local fire departments and the Sheriff in each applicable area from the sales and use tax imposed pursuant to this act;

(2) The total number of firefighters, deputy sheriffs and other public safety personnel hired by local fire departments or the Sheriff, as applicable, and the number of those employees that are filling authorized, funded positions for new employees; and

(3) A detailed analysis of the manner in which each expenditure:

~~(I)~~ (I) Conforms to all provisions of this act; and

~~(2)~~ (II) Does not replace or supplant funding which existed before October 1, 2007, for the purposes set forth in subsection 1 of section 14 of this act for the support of the services provided by local fire departments and the Sheriff in ~~(that) each applicable area~~ ~~to the Director of the Legislative Counsel Bureau for transmittal to the members of the Legislature~~; and

(c) Any other information required to complete the form for the report.

4. The Legislative Commission may review and investigate the reports submitted pursuant to this section and the expenditure of any proceeds pursuant to section 17 of this act.

Sec. 18. 1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to the County pursuant to this act must be paid to the Department in the form of remittances payable to the Department.

2. The Department shall deposit the payments with the State Treasurer for credit to the Sales and Use Tax Account in the State General Fund.

3. The State Controller, acting upon the collection data furnished by the Department, shall monthly:

(a) Transfer from the Sales and Use Tax Account to the appropriate account in the State General Fund a percentage of all fees, taxes, interest and penalties collected pursuant to this act during the preceding month as compensation to the State for the cost of collecting the tax. The percentage to be transferred pursuant to this paragraph must be the same percentage as the percentage of proceeds transferred pursuant to paragraph (a) of subsection 3 of NRS 374.785, but the percentage must be applied to the proceeds collected pursuant to this act only.

(b) Determine the amount equal to all fees, taxes, interest and penalties collected in or for the County pursuant to this act during the preceding month, less the amount transferred to the State General Fund pursuant to paragraph (a).

(c) Transfer the amount determined pursuant to paragraph (b) to the Intergovernmental Fund and remit the money to the County Treasurer.

Sec. 19. The Department may redistribute any proceeds from the taxes, interest or penalties collected pursuant to this act which is determined to be improperly distributed, but no such redistribution may be made as to amounts originally distributed more than 6 months before the date on which the Department obtains knowledge of the improper distribution.

Sec. 20. 1. The County Treasurer shall:

(a) Deposit money received from the State Controller pursuant to paragraph (c) of subsection 3 of section 18 of this act into the County Treasury for credit to a special revenue fund created for the use of the proceeds from the tax authorized by this act; and

(b) Allocate that money into separate accounts within that fund as appropriate to carry out the provisions of paragraph (a) of subsection 3 of section 14 of this act.

2. The special revenue fund of the County created for the use of the proceeds from the tax authorized by this act must be accounted for as a separate fund and not as a part of any other fund.

3. Interest earned on the special revenue fund created pursuant to subsection 1 must be credited to the fund. The money in each such fund must remain in the fund and must not revert to the County Treasury at the end of any fiscal year.

Sec. 21. In a proceeding arising from an ordinance imposing a tax pursuant to this act, the Department may act for and on behalf of the County.

Sec. 22. 1. The powers conferred by this act are in addition and supplemental to, and not in substitution for, the powers conferred by any other law and the limitations imposed by this act do not affect the powers conferred by any other law.

2. This act must not be construed to prevent the exercise of any power granted by any other law to the County or any officer, agent or employee of the County.

3. This act must not be construed to repeal or otherwise affect any other law or part thereof.

4. This act is intended to provide a separate method of accomplishing the objectives of the act, but not an exclusive method.

5. If any provision of this act, or application thereof to any person, thing or circumstance, is held invalid, the invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 23. 1. This section and sections 3 to 22, inclusive, of this act become effective:

(a) Upon passage and approval for the purposes of enacting ordinances and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On October 1, 2007, for all other purposes.

2. Sections 1 and 2 of this act become effective on October 1, 2007, and expire by limitation on October 1, 2025.

3. Sections 3 to 22, inclusive, of this act expire by limitation on October 1, 2027.

MIKE MCGINNESS

WARREN B. HARDY II

JOHN J. LEE

Senate Conference Committee

DAVID PARKS

PEGGY PIERCE

FRANCIS ALLEN

Assembly Conference Committee

Senator Hardy moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 461.

Remarks by Senator Hardy.

Senators Titus, Care and Carlton requested a roll call vote on Senator Hardy's motion.

Roll call on Senator Hardy's motion:

YEAS—16.

NAYS—Beers, Care, Cegavske, Heck, Wiener—5.

The motion having received a constitutional majority, Mr. President declared it carried.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 594, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 1071 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 37, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Creates a Class A certification designation for certain body shops. (BDR 43-451)"

"AN ACT relating to body shops; creating a Class A certification designation for body shops that meet certain criteria; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law requires body shops to submit an application to the Department of Motor Vehicles for a license to operate and file with the Department a bond in the amount of \$10,000 before doing business in the State. (NRS 487.630, 487.640) Sections 3, 4, 6 and 7 of this bill create a Class A certification for a body shop that demonstrates compliance with certain criteria. Section 8 of this bill establishes the process for applying for and renewing a Class A certification. Section 11 of this bill provides for the suspension or revocation of a Class A certification under certain circumstances. (NRS 487.660)

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 487 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.

Sec. 2. *"Body shop" means any place where the body of a motor vehicle is painted, fixed, repaired or replaced for compensation.*

Sec. 3. *"Class A certificate" means a certificate issued to a licensed body shop that has been granted Class A certification status with the Department pursuant to section 6 of this act.*

Sec. 4. *"Class A certification" means a designation granted to a licensed body shop by the Department indicating that the body shop meets the criteria set forth in section 6 of this act and any criteria established in regulations adopted pursuant to section 7 of this act.*

Sec. 5. *"Garagekeepers' insurance" means insurance which protects an operator of a body shop against liability for damage to a vehicle in the care, custody or control of the body shop.*

Sec. 6. *To be eligible for Class A certification, a licensed body shop must:*

1. *Comply with local zoning laws and possess all required local, state and federal licenses and permits.*

2. *Possess garagekeepers' and workers' compensation insurance.*

3. *Provide employees with continuing education and training in subjects and for periods of time as prescribed by regulation.*

4. *Have the ability to:*

(a) *Obtain proper specifications for each vehicle being repaired;*

(b) *Make three dimensional measurements that are verified by a computer of each vehicle being repaired; and*

(c) *Hoist a vehicle for inspection.*

~~44~~ 5. *Perform a wide range of services for vehicles being repaired, including, without limitation:*

(a) *Alignment of the wheels of a vehicle that is verified by a computer;*

(b) *Stabilization of a vehicle through the use of a four-point anchoring system;*

(c) *Simultaneous adjustment of the exterior and undercarriage of a vehicle;*

(d) *Removal and reinstallation of a frame, suspension, engine or a drivetrain component;*

(e) *Painting the exterior of a vehicle with a system for applying paint that provides a finish similar to the finish applied by the manufacturer;*

(f) *Inspection of airbags and other occupant restraint devices to the specifications of the manufacturer; and*

(g) *Welding, by a certified technician, with a gas metal arc welder or an inverter welder, as appropriate.*

~~55~~ 6. *Adhere to current federal, state and local safety requirements by:*

(a) *Performing repairs on an air-conditioning system using equipment approved by the United States Environmental Protection Agency;*

(b) *Performing repairs with emission-reducing equipment, as prescribed by regulation;*

(c) Performing repairs with equipment that meets all safety requirements as prescribed by regulation; and

(d) Disposing of hazardous waste as prescribed by regulation.

~~16.1~~ 7. Ensure customer satisfaction by providing to each customer:

(a) A computer-generated estimate of repairs; and

(b) A written, limited lifetime warranty that is valid against workmanship defects.

~~17.1~~ 8. Have a system for documenting and maintaining customer complaints and responses to service.

Sec. 7. 1. The Department shall adopt regulations establishing the requirements for continuing education and training required by subsection 3 of section 6 of this act.

2. The Department may adopt such regulations as it deems necessary to carry out the provisions of sections 2 to 8, inclusive, of this act.

Sec. 8. 1. An application for a Class A certification or for the renewal of such a certification must be filed with the Department upon forms supplied by the Department. The application must be accompanied by such proof as the Department requires to demonstrate that the applicant is in compliance with all criteria set forth in section 6 of this act and any regulations adopted pursuant thereto.

2. Before a Class A certificate is issued to a licensed body shop, the Department must inspect the body shop to ensure that the body shop meets or exceeds the requirements set forth in section 6 of this act and any regulations adopted pursuant thereto.

3. The Department shall notify a licensed body shop at least 72 hours before an inspection is performed pursuant to subsection 2.

4. The Department shall charge an application fee of \$300 for the issuance or renewal of a Class A certificate which must be submitted with the application. Fees collected by the Department pursuant to this subsection must be deposited with the State Treasurer to the credit of the Account for Regulation of Salvage Pools, Automobile Wreckers, Body Shops and Garages.

5. Upon receipt of the application and the required fee, and when satisfied that the applicant meets or exceeds the requirements set forth in section 6 of this act and any regulations adopted pursuant thereto, the Department must issue to the licensed body shop a Class A certificate or renew such certification. The certificate must contain the name and the address of the licensed body shop and the name of the operator of the licensed body shop.

6. A Class A certificate expires on April 30 of each year.

Sec. 9. NRS 487.600 is hereby amended to read as follows:

487.600 As used in NRS ~~487.610~~ 487.600 to 487.690, inclusive, ~~["body shop" means any place where the body of a motor vehicle is painted, fixed, repaired or replaced for compensation.]~~ and sections 2 to 8, inclusive, of this act, the words and terms defined in sections 2 to 5, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 10. NRS 487.650 is hereby amended to read as follows:

487.650 1. The Department may refuse to issue a license or, after notice and hearing, may suspend, revoke or refuse to renew a license to operate a body shop upon any of the following grounds:

(a) Failure of the applicant or licensee to have or maintain an established place of business in this State.

(b) Conviction of the applicant or licensee or an employee of the applicant or licensee of a felony, or of a misdemeanor or gross misdemeanor for a violation of a provision of this chapter.

(c) Any material misstatement in the application for the license.

(d) Willful failure of the applicant or licensee to comply with the motor vehicle laws of this State and NRS 487.035, ~~487.610~~ 487.600 to 487.690, inclusive, and sections 2 to 8, inclusive, of this act, or 597.480 to 597.590, inclusive.

(e) Failure or refusal by the licensee to pay or otherwise discharge any final judgment against him arising out of the operation of the body shop.

(f) Failure or refusal to provide to the Department an authorization for the disclosure of financial records for the business as required pursuant to subsection 2.

(g) A finding of guilt by a court of competent jurisdiction in a case involving a fraudulent inspection, purchase, sale or transfer of a salvage vehicle by the applicant or licensee or an employee of the applicant or licensee.

(h) An improper, careless or negligent inspection of a salvage vehicle pursuant to NRS 487.800 by the applicant or licensee or an employee of the applicant or licensee.

(i) A false statement of material fact in a certification of a salvage vehicle pursuant to NRS 487.800 or a record regarding a salvage vehicle by the applicant or licensee or an employee of the applicant or licensee.

2. Upon the receipt of any report or complaint alleging that an applicant or a licensee has engaged in financial misconduct or has failed to satisfy financial obligations related to the operation of a body shop, the Department may require the applicant or licensee to submit to the Department an authorization for the disclosure of financial records for the business as provided in NRS 239A.090. The Department may use any information obtained pursuant to such an authorization only to determine the suitability of the applicant or licensee for initial or continued licensure. Information obtained pursuant to such an authorization may be disclosed only to those employees of the Department who are authorized to issue a license to an applicant pursuant to NRS ~~[487.610]~~ 487.600 to 487.690, inclusive, and sections 2 to 8, inclusive, of this act, or to determine the suitability of an applicant or a licensee for such licensure.

3. As used in this section, "salvage vehicle" has the meaning ascribed to it in NRS 487.770.

Sec. 11. NRS 487.660 is hereby amended to read as follows:

487.660 1. If the Director finds that the action is necessary in the public interest, upon notice to the licensee, he may ~~[temporarily]~~ :

(a) Temporarily suspend or refuse to renew the license to operate a body shop for not more than 30 days.

(b) Temporarily suspend or refuse to renew a Class A certificate of a licensed body shop for not more than 30 days.

2. The Department shall conduct a hearing and issue a final decision on the matter within 30 days after it sends notice ~~[to the licensee]~~ of the temporary suspension ~~[]~~ of a license or a Class A certificate, or both.

3. The Department shall adopt regulations:

(a) Prescribing the circumstances under which the Department may suspend or refuse to renew a Class A certificate; and

(b) Providing an appeals process for an operator of a licensed body shop whose Class A certificate has been suspended or has not been renewed.

4. A Class A certificate must be automatically revoked by the Department if the license to operate the body shop is suspended or revoked pursuant to NRS 487.650.

Sec. 12. NRS 487.690 is hereby amended to read as follows:

487.690 Any person who violates any of the provisions of NRS ~~[487.610]~~ 487.600 to 487.680, inclusive, and sections 2 to 8, inclusive, of this act is guilty of a misdemeanor.

DENNIS NOLAN

JOYCE WOODHOUSE

MAURICE E. WASHINGTON

Senate Conference Committee

SUSAN GERHARDT

KELVIN D. ATKINSON

JOHN C. CARPENTER

Assembly Conference Committee

Senator Nolan moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 594.

Remarks by Senator Nolan.

Motion carried by a constitutional majority.

APPOINTMENT OF CONFERENCE COMMITTEES

President Krolicki appointed Senators Cegavske, Beers and Washington as a first Conference Committee to meet with a like committee of the Assembly for the further consideration of Senate Bill No. 184.

Senator Raggio moved that the Senate recess until 2:30 p.m.

Motion carried.

Senate in recess at 1:17 p.m.

SENATE IN SESSION

At 3:21 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 617, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chair*

Mr. President:

Your Committee on Judiciary, to which was referred Senate Bill No. 577, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARK E. AMODEI, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 4, 2007

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 166, 324, 466, 575, 576; Assembly Bill No. 628.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bill No. 162.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 1141 to Assembly Bill No. 393; Senate Amendment No. 652 to Assembly Bill No. 542; Senate Amendment No. 681 to Assembly Bill No. 543; Senate Amendment No. 1126 to Assembly Bill No. 586.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to recede from its action on Senate Bill No. 517, Assembly Amendment No. 1053, and requests a conference, and appointed Assemblymen Arberry, Koivisto and Grady as a first Conference Committee to meet with a like committee of the Senate.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Anderson, Horne and Carpenter as a first Conference Committee concerning Assembly Bill No. 246.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Conference Committee concerning Senate Bills Nos. 129, 483; Assembly Bills Nos. 127, 178, 244, 594.

LUCINDA BENJAMIN

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

By the Committee on Legislative Operations and Elections:

Senate Concurrent Resolution No. 49—Providing for the compensation of the clergy and the coordinator of the clergy for services rendered to the Senate and Assembly during the 74th Session of the Nevada Legislature.

Senator Cegavske moved the adoption of the resolution.

Remarks by Senator Cegavske.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 162.

Senator Nolan moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 628.

Senator Nolan moved that the bill be referred to the Committee on Finance.

Motion carried.

SECOND READING AND AMENDMENT

Senate Bill No. 577.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 1164.

"SUMMARY—Makes corrections to certain legislative measures. (BDR S-1524)"

"AN ACT relating to financial matters; clarifying the intent of provisions concerning the applicability of certain laws relating to installment loans; prohibiting the reduction of certain local property taxes without the approval of the State Board of Finance; limiting the security which may be provided for certain special obligation bonds of the State; repealing certain revisions to exemptions from execution; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 28 of Assembly Bill No. 478 of this session provides that the provisions of chapter 675 of NRS apply to any person who: (1) makes installment loans that are not subject to regulation pursuant to chapter 604A of NRS; (2) is an affiliate, subsidiary or holding company of certain financial institutions or an insurance company; or (3) seeks to evade application of chapter 675 of NRS by any device, subterfuge or pretense. Section 1 of this bill amends subsection 2 of section 28 of Assembly Bill No. 478 of this session to require all three conditions to be present for the chapter to apply.

Section 47 of Assembly Bill No. 595 of this session provides for the allocation of a portion of certain property taxes imposed in a county whose population is 100,000 or more (currently Clark and Washoe Counties) to the State Highway Fund for use in the construction and maintenance of the public highways in that county. Section 2 of this bill prohibits a board of county commissioners from reducing the rate of such a tax without the approval of the State Board of Finance.

Section 3 of this bill limits the security that may be provided for certain special obligation bonds issued by the State Board of Finance to provide funding for highway construction projects to ensure that those bonds are not subject to the constitutional limitation on state indebtedness.

Sections 46-48 of Senate Bill No. 483 of this session amend existing law to limit the exemption from execution for payments received pursuant to the federal Social Security Act to such payments made for the individual support of the judgment debtor. Section ~~24~~ 5 of this bill resolves a conflict with federal law by repealing sections 46-48 of Senate Bill No. 483 of this session so that the exemption is not limited to payments for individual support. (42 U.S.C. § 407)

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

Section 1. Section 28 of Assembly Bill No. 478 of this session is hereby amended to read as follows:

Sec. 28. Chapter 675 of NRS is hereby amended by adding thereto a new section to read as follows:

The provisions of this chapter apply to any person who:

1. *Makes installment loans that are not subject to regulation pursuant to chapter 604A of NRS;*

2. *Is an affiliate, subsidiary or holding company of a bank, national banking association, savings bank, trust company, savings and loan association, credit union, development corporation, mortgage broker, mortgage banker, thrift company or insurance company; and*

3. *Seeks to evade its application by any device, subterfuge or pretense, including, without limitation:*

(a) Calling a loan by any other name;

(b) Using any agents, affiliates or subsidiaries in an attempt to avoid the application of the provisions of this chapter; or

(c) Having any affiliation or other business arrangement with an entity that is exempt from the provisions of this chapter pursuant to subsection 1 of NRS 675.040, the effect of which is to evade the provisions of this chapter, including, without limitation, making a loan while purporting to be the agent of such an exempt entity where the purported agent holds, acquires or maintains a material economic interest in the revenues generated by the loan.

Sec. 2. Section 47 of Assembly Bill No. 595 of this session is hereby amended to read as follows:

Sec. 47. NRS 354.59815 is hereby amended to read as follows:

354.59815 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, the board of county commissioners may levy a tax ad valorem on all taxable property in the county at a rate not to exceed 5 cents per \$100 of the assessed valuation of the county.

2. ~~[The]~~ *If a tax is levied pursuant to subsection 1 in:*

(a) A county whose population is less than 100,000, the board of county commissioners shall direct the county treasurer to distribute quarterly the proceeds of ~~any tax levied pursuant to the provisions of subsection 1~~ the tax among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax

distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all of the local governments in the county for the 1990-1991 Fiscal Year.

(b) A county whose population is 100,000 or more, the board of county commissioners shall direct the county treasurer to distribute quarterly, from the proceeds of the tax for:

(1) The fiscal year beginning on July 1, 2008:

(I) Eighty-eight percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Twelve percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(2) The fiscal year beginning on July 1, 2009:

(I) Seventy-six percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Twenty-four percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(3) The fiscal year beginning on July 1, 2010:

(I) Sixty-four percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Thirty-six percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(4) The fiscal year beginning on July 1, 2011:

(I) Fifty-two percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Forty-eight percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

(5) Each fiscal year beginning on or after July 1, 2012:

(I) Forty percent of those proceeds among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all the local governments in the county for the 1990-1991 Fiscal Year; and

(II) Sixty percent of those proceeds to the State Treasurer for deposit in the State Highway Fund for administration pursuant to subsection 7 of NRS 408.235.

3. The board of county commissioners shall not reduce the rate of any tax levied pursuant to the provisions of subsection 1 without the approval of the State Board of Finance and each of the local governments that receives a portion of the tax, except that, if a local government declines to receive its portion of the tax in a particular year the levy may be reduced by the amount that local government would have received.

Sec. 3. Assembly Bill No. 595 of this session is hereby amended by adding thereto a new section to be designated as sec. 47.7, immediately following sec. 47.6, to read as follows:

Sec. 47.7. NRS 408.273 is hereby amended to read as follows:

408.273 1. The State Board of Finance shall, when so requested by the Board, issue special obligation bonds of the State of Nevada to provide money to enable the Department to complete pending and currently projected highway construction projects, in an amount specified in the request. The bonds may be issued at one time or from time to time, and must be issued in accordance with the State Securities Law. These bonds must be secured by:

(a) A pledge of the appropriate federal highway grants payable to the State; or

(b) The appropriate federal highway grants payable to the State and taxes which are credited to the State Highway Fund, other than any taxes that would cause the bonds to create a public debt within the meaning of Section 3 of Article 9 of the Constitution of the State of Nevada.

➤ and must mature within not more than 20 years from their date.

2. The Department shall cooperate with the State Treasurer in the issuance of the bonds.

3. The State Treasurer may employ any necessary legal, financial or other professional services in connection with the issuance of the bonds.

Sec. 4. Section 57 of Assembly Bill No. 595 of this session is hereby amended to read as follows:

Sec. 57. 1. This section and sections 1 to 46, inclusive, 49.5, 49.7, 55 and 56 of this act become effective upon passage and approval.

2. Sections 46.5, 47.1 to 47.4, inclusive, ~~47.7~~, 55.3 and 55.5 of this act become effective on July 1, 2007.

3. Sections 47.5 and 49 of this act become effective on October 1, 2007.

4. Sections 47 and 47.6 of this act become effective on July 1, 2008.

5. Section 55.5 of this act expires by limitation on December 31, 2015.

~~{Sec. 2.}~~ Sec. 5. Sections 46, 47 and 48 of Senate Bill No. 483 of this session are hereby repealed.

~~{Sec. 3.}~~ Sec. 6. This act becomes effective upon passage and approval.

TEXT OF REPEALED SECTIONS

Section 46 of Senate Bill No. 483 of this session:

Sec. 46. NRS 21.075 is hereby amended to read as follows:

21.075 1. Execution on the writ of execution by levying on the property of the judgment debtor may occur only if the sheriff serves the judgment debtor with a notice of the writ of execution pursuant to NRS 21.076 and a copy of the writ. The notice must describe the types of property exempt from execution and explain the procedure for claiming those exemptions in the manner required in subsection 2. The clerk of the court shall attach the notice to the writ of execution at the time the writ is issued.

2. The notice required pursuant to subsection 1 must be substantially in the following form:

NOTICE OF EXECUTION

YOUR PROPERTY IS BEING ATTACHED OR YOUR WAGES ARE BEING GARNISHED

A court has determined that you owe money to (name of person), the judgment creditor. He has begun the procedure to collect that money by garnishing your wages, bank account and other personal property held by third persons or by taking money or other property in your possession.

Certain benefits and property owned by you may be exempt from execution and may not be taken from you. The following is a partial list of exemptions:

1. Payments *for your individual support* received pursuant to the federal Social Security Act, including, without limitation, retirement and survivors' benefits, supplemental security income benefits and disability insurance benefits.

2. Payments for benefits or the return of contributions under the Public Employees' Retirement System.

3. Payments for public assistance granted through the Division of Welfare and Supportive Services of the Department of Health and Human Services or a local governmental entity.

4. Proceeds from a policy of life insurance.

5. Payments of benefits under a program of industrial insurance.

6. Payments received as disability, illness or unemployment benefits.

7. Payments received as unemployment compensation.

8. Veteran's benefits.

9. A homestead in a dwelling or a mobile home, not to exceed \$350,000, unless:

(a) The judgment is for a medical bill, in which case all of the primary dwelling, including a mobile or manufactured home, may be exempt.

(b) Allodial title has been established and not relinquished for the dwelling or mobile home, in which case all of the dwelling or mobile home and its appurtenances are exempt, including the land on which they are located, unless a valid waiver executed pursuant to NRS 115.010 is applicable to the judgment.

10. A vehicle, if your equity in the vehicle is less than \$15,000.

11. Seventy-five percent of the take-home pay for any workweek, unless the weekly take-home pay is less than 50 times the federal minimum hourly wage, in which case the entire amount may be exempt.

12. Money, not to exceed \$500,000 in present value, held in:

(a) An individual retirement arrangement which conforms with the applicable limitations and requirements of section 408 or 408A of the Internal Revenue Code, 26 U.S.C. §§ 408 and 408A;

(b) A written simplified employee pension plan which conforms with the applicable limitations and requirements of section 408 of the Internal Revenue Code, 26 U.S.C. § 408;

(c) A cash or deferred arrangement that is a qualified plan pursuant to the Internal Revenue Code;

(d) A trust forming part of a stock bonus, pension or profit-sharing plan that is a qualified plan pursuant to sections 401 et seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

(e) A trust forming part of a qualified tuition program pursuant to chapter 353B of NRS, any applicable regulations adopted pursuant to chapter 353B of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529, unless the money is deposited after the entry of a judgment against the purchaser or account owner or the money will not be used by any beneficiary to attend a college or university.

13. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support, education and maintenance of a child, whether collected by the judgment debtor or the State.

14. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support and maintenance of a former spouse, including the amount of any arrearages in the payment of such support and maintenance to which the former spouse may be entitled.

15. A vehicle for use by you or your dependent which is specially equipped or modified to provide mobility for a person with a permanent disability.

16. A prosthesis or any equipment prescribed by a physician or dentist for you or your dependent.

17. Payments, in an amount not to exceed \$16,150, received as compensation for personal injury, not including compensation for pain and suffering or actual pecuniary loss, by the judgment debtor or by a person upon whom the judgment debtor is dependent at the time the payment is received.

18. Payments received as compensation for the wrongful death of a person upon whom the judgment debtor was dependent at the time of the wrongful death, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

19. Payments received as compensation for the loss of future earnings of the judgment debtor or of a person upon whom the judgment debtor is dependent at the time the payment is received, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

20. Payments received as restitution for a criminal act.

↪ These exemptions may not apply in certain cases such as a proceeding to enforce a judgment for support of a person or a judgment of foreclosure on a mechanic's lien. You should consult an attorney immediately to assist you in determining whether your property or money is exempt from execution. If you cannot afford an attorney, you may be eligible for assistance through (name of organization in county providing legal services to indigent or elderly persons).

PROCEDURE FOR CLAIMING EXEMPT PROPERTY

If you believe that the money or property taken from you is exempt, you must complete and file with the clerk of the court a notarized affidavit claiming the exemption. A copy of the affidavit must be served upon the sheriff and the judgment creditor within 8 days after the notice of execution is mailed. The property must be returned to you within 5 days after you file the affidavit unless you or the judgment creditor files a motion for a hearing to determine the issue of exemption. If this happens, a hearing will be held to determine whether the property or money is exempt. The motion for the hearing to determine the issue of exemption must be filed within 10 days after the affidavit claiming exemption is filed. The hearing to determine whether the property or

money is exempt must be held within 10 days after the motion for the hearing is filed.

IF YOU DO NOT FILE THE AFFIDAVIT WITHIN THE TIME SPECIFIED, YOUR PROPERTY MAY BE SOLD AND THE MONEY GIVEN TO THE JUDGMENT CREDITOR, EVEN IF THE PROPERTY OR MONEY IS EXEMPT.

Section 47 of Senate Bill No. 483 of this session:

Sec. 47. NRS 21.090 is hereby amended to read as follows:

21.090 1. The following property is exempt from execution, except as otherwise specifically provided in this section or required by federal law:

(a) Private libraries, works of art, musical instruments and jewelry not to exceed \$5,000 in value, belonging to the judgment debtor or a dependent of the judgment debtor, to be selected by the judgment debtor, and all family pictures and keepsakes.

(b) Necessary household goods, furnishings, electronics, wearing apparel, other personal effects and yard equipment, not to exceed \$12,000 in value, belonging to the judgment debtor or a dependent of the judgment debtor, to be selected by the judgment debtor.

(c) Farm trucks, farm stock, farm tools, farm equipment, supplies and seed not to exceed \$4,500 in value, belonging to the judgment debtor to be selected by him.

(d) Professional libraries, equipment, supplies, and the tools, inventory, instruments and materials used to carry on the trade or business of the judgment debtor for the support of himself and his family not to exceed \$10,000 in value.

(e) The cabin or dwelling of a miner or prospector, his cars, implements and appliances necessary for carrying on any mining operations and his mining claim actually worked by him, not exceeding \$4,500 in total value.

(f) Except as otherwise provided in paragraph (o), one vehicle if the judgment debtor's equity does not exceed \$15,000 or the creditor is paid an amount equal to any excess above that equity.

(g) For any workweek, 75 percent of the disposable earnings of a judgment debtor during that week, or 50 times the minimum hourly wage prescribed by section 6(a)(1) of the federal Fair Labor Standards Act of 1938, 29 U.S.C. § 206(a)(1), and in effect at the time the earnings are payable, whichever is greater. Except as otherwise provided in paragraphs (n), (r) and (s), the exemption provided in this paragraph does not apply in the case of any order of a court of competent jurisdiction for the support of any person, any order of a court of bankruptcy or of any debt due for any state or federal tax. As used in this paragraph:

(1) "Disposable earnings" means that part of the earnings of a judgment debtor remaining after the deduction from those earnings of any amounts required by law to be withheld.

(2) "Earnings" means compensation paid or payable for personal services performed by a judgment debtor in the regular course of business, including, without limitation, compensation designated as income, wages, tips, a salary, a commission or a bonus. The term includes compensation received by a judgment debtor that is in the possession of the judgment debtor, compensation held in accounts maintained in a bank or any other financial institution or, in the case of a receivable, compensation that is due the judgment debtor.

(h) All fire engines, hooks and ladders, with the carts, trucks and carriages, hose, buckets, implements and apparatus thereunto appertaining, and all furniture and uniforms of any fire company or department organized under the laws of this State.

(i) All arms, uniforms and accouterments required by law to be kept by any person, and also one gun, to be selected by the debtor.

(j) All courthouses, jails, public offices and buildings, lots, grounds and personal property, the fixtures, furniture, books, papers and appurtenances belonging and pertaining to the courthouse, jail and public offices belonging to any county of this State, all cemeteries, public squares, parks and places, public buildings, town halls, markets, buildings for the use of fire departments and military organizations, and the lots and grounds thereto belonging and appertaining, owned or held by any town or incorporated city, or dedicated by the town or city to health, ornament or public use, or for the use of any fire or military company organized under the laws of this State and all lots, buildings and other school property owned by a school district and devoted to public school purposes.

(k) All money, benefits, privileges or immunities accruing or in any manner growing out of any life insurance, if the annual premium paid does not exceed \$15,000. If the premium exceeds that amount, a similar exemption exists which bears the same proportion to the money, benefits, privileges and immunities so accruing or growing out of the insurance that the \$15,000 bears to the whole annual premium paid.

(l) The homestead as provided for by law, including a homestead for which allodial title has been established and not relinquished and for which a waiver executed pursuant to NRS 115.010 is not applicable.

(m) The dwelling of the judgment debtor occupied as a home for himself and family, where the amount of equity held by the judgment debtor in the home does not exceed \$350,000 in value and the dwelling is situated upon lands not owned by him.

(n) All property in this State of the judgment debtor where the judgment is in favor of any state for failure to pay that state's income tax on benefits received from a pension or other retirement plan.

(o) Any vehicle owned by the judgment debtor for use by him or his dependent that is equipped or modified to provide mobility for a person with a permanent disability.

(p) Any prosthesis or equipment prescribed by a physician or dentist for the judgment debtor or a dependent of the debtor.

(q) Money, not to exceed \$500,000 in present value, held in:

(1) An individual retirement arrangement which conforms with the applicable limitations and requirements of section 408 or 408A of the Internal Revenue Code, 26 U.S.C. §§ 408 and 408A;

(2) A written simplified employee pension plan which conforms with the applicable limitations and requirements of section 408 of the Internal Revenue Code, 26 U.S.C. § 408;

(3) A cash or deferred arrangement which is a qualified plan pursuant to the Internal Revenue Code;

(4) A trust forming part of a stock bonus, pension or profit-sharing plan which is a qualified plan pursuant to sections 401 et seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

(5) A trust forming part of a qualified tuition program pursuant to chapter 353B of NRS, any applicable regulations adopted pursuant to chapter 353B of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529, unless the money is deposited after the entry of a judgment against the purchaser or account owner or the money will not be used by any beneficiary to attend a college or university.

(r) All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support, education and maintenance of a child, whether collected by the judgment debtor or the State.

(s) All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support and maintenance of a former spouse, including the amount of any arrearages in the payment of such support and maintenance to which the former spouse may be entitled.

(t) Payments, in an amount not to exceed \$16,150, received as compensation for personal injury, not including compensation for pain and suffering or actual pecuniary loss, by the judgment debtor or by a person upon whom the judgment debtor is dependent at the time the payment is received.

(u) Payments received as compensation for the wrongful death of a person upon whom the judgment debtor was dependent at the time of the wrongful death, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

(v) Payments received as compensation for the loss of future earnings of the judgment debtor or of a person upon whom the judgment debtor is dependent at the time the payment is received, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

(w) Payments received as restitution for a criminal act.

(x) Payments *for individual support* received pursuant to the federal Social Security Act, including, without limitation, retirement and survivors' benefits, supplemental security income benefits and disability insurance benefits.

2. Except as otherwise provided in NRS 115.010, no article or species of property mentioned in this section is exempt from execution issued upon a judgment to recover for its price, or upon a judgment of foreclosure of a mortgage or other lien thereon.

3. Any exemptions specified in subsection (d) of section 522 of the Bankruptcy Act of 1978, 11 U.S.C. § 522(d), do not apply to property owned by a resident of this State unless conferred also by subsection 1, as limited by subsection 2.

Section 48 of Senate Bill No. 483 of this session:

Sec. 48. NRS 31.045 is hereby amended to read as follows:

31.045 1. Execution on the writ of attachment by attaching property of the defendant may occur only if:

(a) The judgment creditor serves the defendant with notice of the execution when the notice of the hearing is served pursuant to NRS 31.013; or

(b) Pursuant to an ex parte hearing, the sheriff serves upon the judgment debtor notice of the execution and a copy of the writ at the same time and in the same manner as set forth in NRS 21.076.

➡ If the attachment occurs pursuant to an ex parte hearing, the clerk of the court shall attach the notice to the writ of attachment at the time the writ is issued.

2. The notice required pursuant to subsection 1 must be substantially in the following form:

NOTICE OF EXECUTION
YOUR PROPERTY IS BEING ATTACHED OR
YOUR WAGES ARE BEING GARNISHED

Plaintiff, ... (name of person), alleges that you owe him money. He has begun the procedure to collect that money. To secure satisfaction of judgment the court has ordered the garnishment of your wages, bank account or other personal property held by third persons or the taking of money or other property in your possession.

Certain benefits and property owned by you may be exempt from execution and may not be taken from you. The following is a partial list of exemptions:

1. Payments *for your individual support* received pursuant to the federal Social Security Act, including, without limitation, retirement and survivors' benefits, supplemental security income benefits and disability insurance benefits.

2. Payments for benefits or the return of contributions under the Public Employees' Retirement System.

3. Payments for public assistance granted through the Division of Welfare and Supportive Services of the Department of Health and Human Services or a local governmental entity.

4. Proceeds from a policy of life insurance.

5. Payments of benefits under a program of industrial insurance.

6. Payments received as disability, illness or unemployment benefits.

7. Payments received as unemployment compensation.

8. Veteran's benefits.

9. A homestead in a dwelling or a mobile home, not to exceed \$350,000, unless:

(a) The judgment is for a medical bill, in which case all of the primary dwelling, including a mobile or manufactured home, may be exempt.

(b) Allodial title has been established and not relinquished for the dwelling or mobile home, in which case all of the dwelling or mobile home and its appurtenances are exempt, including the land on which they are located, unless a valid waiver executed pursuant to NRS 115.010 is applicable to the judgment.

10. A vehicle, if your equity in the vehicle is less than \$15,000.

11. Seventy-five percent of the take-home pay for any workweek, unless the weekly take-home pay is less than 50 times the federal minimum hourly wage, in which case the entire amount may be exempt.

12. Money, not to exceed \$500,000 in present value, held in:

(a) An individual retirement arrangement which conforms with the applicable limitations and requirements of section 408 or 408A of the Internal Revenue Code, 26 U.S.C. §§ 408 and 408A;

(b) A written simplified employee pension plan which conforms with the applicable limitations and requirements of section 408 of the Internal Revenue Code, 26 U.S.C. § 408;

(c) A cash or deferred arrangement that is a qualified plan pursuant to the Internal Revenue Code;

(d) A trust forming part of a stock bonus, pension or profit-sharing plan that is a qualified plan pursuant to sections 401 et seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

(e) A trust forming part of a qualified tuition program pursuant to chapter 353B of NRS, any applicable regulations adopted pursuant to chapter 353B of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529, unless the money is deposited after the entry of a judgment against the purchaser or account owner or the money will not be used by any beneficiary to attend a college or university.

13. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support, education and maintenance of a child, whether collected by the judgment debtor or the State.

14. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support and maintenance of a former spouse, including the amount of any arrearages in the payment of such support and maintenance to which the former spouse may be entitled.

15. A vehicle for use by you or your dependent which is specially equipped or modified to provide mobility for a person with a permanent disability.

16. A prosthesis or any equipment prescribed by a physician or dentist for you or your dependent.

17. Payments, in an amount not to exceed \$16,150, received as compensation for personal injury, not including compensation for pain and suffering or actual pecuniary loss, by the judgment debtor or by a person upon whom the judgment debtor is dependent at the time the payment is received.

18. Payments received as compensation for the wrongful death of a person upon whom the judgment debtor was dependent at the time of the wrongful death, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

19. Payments received as compensation for the loss of future earnings of the judgment debtor or of a person upon whom the judgment debtor is dependent at the time the payment is received, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

20. Payments received as restitution for a criminal act.

↪ These exemptions may not apply in certain cases such as proceedings to enforce a judgment for support of a child or a judgment of foreclosure on a mechanic's lien. You should consult an attorney immediately to assist you in determining whether your property or money is exempt from execution. If you cannot afford an attorney, you may be eligible for assistance through (name of organization in county providing legal services to the indigent or elderly persons).

PROCEDURE FOR CLAIMING EXEMPT PROPERTY

If you believe that the money or property taken from you is exempt or necessary for the support of you or your family, you must file with the clerk of the court on a form provided by the clerk a notarized affidavit claiming the exemption. A copy of the affidavit must be served upon the sheriff and the judgment creditor within 8 days after the notice of execution is mailed. The property must be returned to you within 5 days after you file the affidavit unless the judgment creditor files a motion for a hearing to determine the issue of exemption. If this happens, a hearing will be held to determine whether the property or money is exempt. The hearing must be held within 10 days after the motion for a hearing is filed.

IF YOU DO NOT FILE THE AFFIDAVIT WITHIN THE TIME SPECIFIED, YOUR PROPERTY MAY BE SOLD AND THE MONEY GIVEN TO THE JUDGMENT CREDITOR, EVEN IF THE PROPERTY OR MONEY IS EXEMPT.

If you received this notice with a notice of a hearing for attachment and you believe that the money or property which would be taken from you by a writ of attachment is exempt or necessary for the support of you or your family, you are entitled to describe to the court at the hearing why you believe your property is exempt. You may also file a motion with the court for a discharge of the writ of attachment. You may make that motion any time before trial. A hearing will be held on that motion.

IF YOU DO NOT FILE THE MOTION BEFORE THE TRIAL, YOUR PROPERTY MAY BE SOLD AND THE MONEY GIVEN TO THE PLAINTIFF, EVEN IF THE PROPERTY OR MONEY IS EXEMPT OR NECESSARY FOR THE SUPPORT OF YOU OR YOUR FAMILY.

Senator Amodei moved the adoption of the amendment.

Remarks by Senator Amodei.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

GENERAL FILE AND THIRD READING

Senate Bill No. 434.

Bill read third time.

Roll call on Senate Bill No. 434:

YEAS—21.

NAYS—None.

Senate Bill No. 434 having received a two-thirds majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 556.

Bill read third time.

Roll call on Senate Bill No. 556:

YEAS—21.

NAYS—None.

Senate Bill No. 556 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 617.

Bill read third time.

Roll call on Assembly Bill No. 617:

YEAS—21.

NAYS—None.

Assembly Bill No. 617 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS
REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 274, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendments Nos. 945 and 993 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 35, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes to provisions relating to water. (BDR 48-206)"

"AN ACT relating to water; expanding the purposes for which the State Engineer may adopt regulations; ~~expressing the sense of the Legislature as to the temporary conversion of certain water rights for certain ecological purposes;~~ authorizing the State Engineer to impose administrative fines and to order payment of the costs of certain proceedings; authorizing the State Engineer to consider the consumptive use of a water right under certain circumstances; authorizing the State Engineer to seek injunctive relief for certain violations; revising provisions relating to the protest of certain applications involving interbasin transfers of groundwater; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Pursuant to existing law, the State Engineer may make such reasonable rules and regulations as may be necessary for the proper and orderly execution of the powers conferred on him by law. (NRS 532.120) The penalty prescribed for the violation of a majority of the provisions set forth in chapters 533, 534, 535 and 536 of NRS is a misdemeanor. (NRS 533.480, 534.190, 535.110, 536.120)

Section 1 of this bill expands the provisions for which the State Engineer may adopt regulations to include chapters 534, 535 and 536 of NRS in addition to chapter 533 of NRS. ~~[Section 2.5 of this bill provides that it is the policy of the State of Nevada to allow the temporary conversion of certain agricultural water rights for wildlife purposes or to improve the quality or flow of water.]~~ Sections 3, 7, 10 and 14 of this bill provide the State Engineer with the additional authority to impose, after notice and opportunity for a hearing, administrative fines, to require a person to replace certain unlawfully taken or wasted water, and to recover expenses incurred in investigating and stopping various water law violations. Section 7 provides additionally that: (1) in determining violations relating to the unauthorized use of water from certain wells, it is the burden of the State Engineer to prove which user or users of water are withdrawing water in excess of their individual allotments; and (2) the State Engineer may require users of water from certain wells to install and maintain, at their own expense, meters to measure their individual withdrawal of water.

Sections 4, 8, 11 and 15 of this bill authorize the State Engineer to seek injunctive relief to prevent a violation or continued violation of chapters 533, 534, 535 and 536 of NRS.

Section 3.3 of this bill authorizes the State Engineer to consider the consumptive use of a water right in determining the appropriateness of approving a proposed change in the place of diversion, manner of use or place of use of water pursuant to that right. Section 3.5 of this bill authorizes the State Engineer, upon approval of an application to appropriate water, to limit the initial use of that water to an amount that is less than the total amount approved. If the State Engineer at a later date determines that water is available for the total amount approved for the application, he may authorize the use of that additional amount.

Existing law sets forth requirements for the State Engineer to provide certain notice of an application for a permit to appropriate water. These requirements include publishing the notice in a newspaper and, if the application is for a well, mailing a copy of the notice to owners of real property containing a domestic well that is within 2,500 feet of the proposed well.

(NRS 533.360) Existing law also allows an interested person to file with the State Engineer a written protest to the application. (NRS 533.365) Sections 4.7 and 4.9 of this bill require that if the State Engineer fails to grant, deny or hear an application for a permit to appropriate, change the point of diversion of, change the manner of use of, or change the place of use of more than 250 acre-feet of water per annum within 7 years after the date on which the application was submitted, the State Engineer must, if the application involves an interbasin transfer of groundwater, notice a new period of protest of 45 days. This bill also provides that certain successors in interest of persons who had already filed a written protest against the granting of such an application must be allowed to continue pursuing the protest as though they were the person who had filed the original protest.

Section 16 of this bill requires the State Engineer to consider certain matters in adopting regulations to carry out the amendatory provisions of this bill.

Section 17 of this bill requires the State Engineer, on or before January 1, 2009, to submit to the Director of the Legislative Counsel Bureau a written report detailing his efforts in, and progress toward, the development and adoption of regulations to carry out the amendatory provisions of this bill.

Section 18 of this bill prohibits the State Engineer, before July 1, 2009, from imposing an administrative penalty pursuant to the amendatory provisions of this bill or any regulations adopted to carry out those amendatory provisions.

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

Section 1. NRS 532.120 is hereby amended to read as follows:

532.120 1. The State Engineer ~~is empowered to~~ *may* make such reasonable rules and regulations as may be necessary for the proper and orderly execution of the powers conferred by law.

2. The State Engineer ~~shall have power to make rules,~~ *may adopt regulations,* not in conflict with law, governing the practice and procedure in all contests before his office, to ~~insure~~ *ensure* the proper and orderly exercise of the powers granted by law, and the speedy accomplishment of the purposes of ~~chapter~~ *chapters* 533 , 534, 535 and 536 of NRS. Such rules of practice and procedure ~~shall~~ *must* be furnished to any person upon application therefor.

Sec. 2. Chapter 533 of NRS is hereby amended by adding thereto the provisions set forth as sections 2.5 to 4.5, inclusive, of this act.

Sec. 2.5. ~~*The Legislature hereby finds and declares that it is the policy of this State to allow the temporary conversion of agricultural water rights for wildlife purposes or to improve the quality or flow of water.* (Deleted by amendment.)~~

Sec. 3. 1. *In addition to any other penalty provided by law, the State Engineer may, after notice and opportunity for a hearing, require a person who violates any provision of this chapter or any permit, certificate, order or decision issued or regulation adopted by the State Engineer pursuant to this chapter or NRS 532.120 to:*

(a) *Pay an administrative fine not to exceed \$10,000 per day for each violation as determined by the State Engineer.*

(b) *In the case of an unauthorized use or willful waste of water in violation of NRS 533.460 or an unlawful diversion of water in violation of NRS 533.530, or any other violation of this chapter that, as determined by the State Engineer, results in an unlawful use, waste or diversion of water, replace not more than 200 percent of the water used, wasted or diverted.*

2. *If an administrative fine is imposed against a person pursuant to subsection 1 or the person is ordered to replace any water pursuant to that subsection, the State Engineer may require the person to pay the costs of the proceeding, including investigative costs and attorney's fees.*

3. *An order imposing an administrative fine or requiring the replacement of water or the payment of costs or fees pursuant to this section may be reviewed by a district court pursuant to NRS 533.450.*

Sec. 3.3. 1. *The State Engineer may consider the consumptive use of a water right and the consumptive use of a proposed beneficial use of water in determining whether a proposed change in the place of diversion, manner of use or place of use complies with the provisions of subsection 5 of NRS 533.370.*

2. The provisions of this section:

(a) Must not be applied by the State Engineer in a manner that is inconsistent with any applicable federal or state decree concerning consumptive use.

(b) Do not apply to any decreed, certified or permitted right to appropriate water which originates in the Virgin River or the Muddy River.

Sec. 3.5. 1. Upon approval of an application to appropriate water, the State Engineer may limit the initial use of water to a quantity that is less than the total amount approved for the application. The use of an additional amount of water that is not more than the total amount approved for the application may be authorized by the State Engineer at a later date if additional evidence demonstrates to the satisfaction of the State Engineer that the additional amount of water is available and may be appropriated in accordance with this chapter and chapter 534 of NRS. In making that determination, the State Engineer may establish a period during which additional studies may be conducted or additional evidence provided to support the application.

2. In any basin in which an application to appropriate water is approved pursuant to subsection 1, the State Engineer may act upon any other pending application to appropriate water in that basin that the State Engineer concludes constitutes the use of a minimal amount of water.

Sec. 4. 1. The State Engineer may seek injunctive relief in the appropriate court to prevent the continuance or occurrence of any act or practice which violates any provision of this chapter, or any permit, certificate, decision or order issued or regulation adopted by the State Engineer pursuant to this chapter or NRS 532.120.

2. On a showing by the State Engineer that a person is engaged, or is about to engage, in any act or practice which violates or will violate any provision of this chapter, or any permit, certificate, decision or order issued or regulation adopted by the State Engineer pursuant to this chapter or NRS 532.120, the court may issue, without a bond, any prohibitory or mandatory injunction that the facts may warrant, including a temporary restraining order issued ex parte or, after notice and hearing, a preliminary or permanent injunction.

3. Failure to establish lack of an adequate remedy at law or irreparable harm is not a ground for denying a request for a temporary restraining order or injunction.

4. The court may require the posting of a sufficient performance bond or other security to ensure compliance with the court order within the period prescribed.

5. Any proceeding conducted or injunction or order issued pursuant to this section is in addition to, and not in lieu of, any other penalty or remedy available for a violation specified in this section.

Sec. 4.5. The State Engineer shall not carry out his duties pursuant to this chapter in a manner that conflicts with any applicable provision of a decree or order issued by a state or federal court, an interstate compact or an agreement to which this State is a party for the interstate allocation of water pursuant to an act of Congress.

Sec. 4.7. NRS 533.365 is hereby amended to read as follows:

533.365 1. Any person interested may, within 30 days ~~(from)~~ after the date of last publication of the notice of application, file with the State Engineer a written protest against the granting of the application, setting forth with reasonable certainty the grounds of such protest, which ~~(shall)~~ must be verified by the affidavit of the protestant, his agent or attorney.

2. On receipt of a protest, the State Engineer shall advise the applicant whose application has been protested of the fact that the protest has been filed with him, which advice ~~(shall)~~ must be sent by certified mail.

3. The State Engineer shall consider the protest, and may, in his discretion, hold hearings and require the filing of such evidence as he may deem necessary to a full understanding of the rights involved. The State Engineer shall give notice of the hearing by certified mail to both the applicant and the protestant. The notice must state the time and place at which the hearing is to be held and must be mailed at least 15 days before the date set for the hearing.

4. Each applicant and each protestant shall, in accordance with a schedule established by the State Engineer, provide to the State Engineer and to each protestant and each applicant information required by the State Engineer relating to the application or protest.

5. If the State Engineer holds a hearing pursuant to subsection 3, the State Engineer shall render a decision on each application not later than 240 days after the later of:

(a) The date all transcripts of the hearing become available to the State Engineer; or
(b) The date specified by the State Engineer for the filing of any additional information, evidence, studies or compilations requested by the State Engineer. The State Engineer may, for good cause shown, extend any applicable period.

6. The State Engineer shall adopt rules of practice regarding the conduct of ~~such hearings~~ a hearing held pursuant to subsection 3. The rules of practice must be adopted in accordance with the provisions of NRS 233B.040 to 233B.120, inclusive, and codified in the Nevada Administrative Code. The technical rules of evidence do not apply at such a hearing.

~~5.7~~ 7. The provisions of this section do not prohibit the noticing of a new period of 45 days in which a person may file with the State Engineer a written protest against the granting of the application, if such notification is required to be given pursuant to subsection 8 of NRS 533.370.

Sec. 4.9. NRS 533.370 is hereby amended to read as follows:

533.370 1. Except as otherwise provided in this section and NRS 533.345, 533.371, 533.372 and 533.503, the State Engineer shall approve an application submitted in proper form which contemplates the application of water to beneficial use if:

- (a) The application is accompanied by the prescribed fees;
- (b) The proposed use or change, if within an irrigation district, does not adversely affect the cost of water for other holders of water rights in the district or lessen the efficiency of the district in its delivery or use of water; and
- (c) The applicant provides proof satisfactory to the State Engineer of:
 - (1) His intention in good faith to construct any work necessary to apply the water to the intended beneficial use with reasonable diligence; and
 - (2) His financial ability and reasonable expectation actually to construct the work and apply the water to the intended beneficial use with reasonable diligence.

2. Except as otherwise provided in this subsection and subsections 3 and ~~8.7~~ 11.47 and NRS 533.365, the State Engineer shall approve or reject each application within 1 year after the final date for filing a protest. The State Engineer may:

- (a) Postpone action upon written authorization to do so by the applicant or, if an application is protested, by the protestant and the applicant.
- (b) Postpone action if the purpose for which the application was made is municipal use.
- (c) In areas where studies of water supplies have been determined to be necessary by the State Engineer pursuant to NRS 533.368 or where court actions are pending, withhold action until it is determined there is unappropriated water or the court action becomes final.

3. Except as otherwise provided in subsection ~~8.7~~ 11, the State Engineer shall approve or reject, within 6 months after the final date for filing a protest, an application filed to change the point of diversion of water already appropriated when the existing and proposed points of diversion are on the same property for which the water has already been appropriated under the existing water right or the proposed point of diversion is on real property that is proven to be owned by the applicant and is contiguous to the place of use of the existing water right. The State Engineer may:

- (a) Postpone action upon written authorization to do so by the applicant or, if the application is protested, by the protestant and the applicant.
- (b) In areas where studies of water supplies have been determined to be necessary by the State Engineer pursuant to NRS 533.368 or where court actions are pending, withhold action until it is determined there is unappropriated water or the court action becomes final.

4. If the State Engineer does not act upon an application within 1 year after the final date for filing a protest, the application remains active until acted upon by the State Engineer.

5. Except as otherwise provided in subsection ~~8.7~~ 11, where there is no unappropriated water in the proposed source of supply, or where its proposed use or change conflicts with existing rights or with protectible interests in existing domestic wells as set forth in NRS 533.024, or threatens to prove detrimental to the public interest, the State Engineer shall reject the application and refuse to issue the requested permit. If a previous application for a similar use of water within the same basin has been rejected on those grounds, the new application may be denied without publication.

6. In determining whether an application for an interbasin transfer of groundwater must be rejected pursuant to this section, the State Engineer shall consider:

- (a) Whether the applicant has justified the need to import the water from another basin;
- (b) If the State Engineer determines that a plan for conservation of water is advisable for the basin into which the water is to be imported, whether the applicant has demonstrated that such a plan has been adopted and is being effectively carried out;
- (c) Whether the proposed action is environmentally sound as it relates to the basin from which the water is exported;
- (d) Whether the proposed action is an appropriate long-term use which will not unduly limit the future growth and development in the basin from which the water is exported; and
- (e) Any other factor the State Engineer determines to be relevant.

7. If a hearing is held regarding an application, the decision of the State Engineer must be in writing and include findings of fact, conclusions of law and a statement of the underlying facts supporting the findings of fact. The written decision may take the form of a transcription of an oral ruling. The rejection or approval of an application must be endorsed on a copy of the original application, and a record must be made of the endorsement in the records of the State Engineer. The copy of the application so endorsed must be returned to the applicant. Except as otherwise provided in subsection ~~9~~ 12, if the application is approved, the applicant may, on receipt thereof, proceed with the construction of the necessary works and take all steps required to apply the water to beneficial use and to perfect the proposed appropriation. If the application is rejected, the applicant may take no steps toward the prosecution of the proposed work or the diversion and use of the public water while the rejection continues in force.

8. If:

- (a) *The State Engineer receives an application to appropriate any of the public waters, or to change the point of diversion, manner of use or place of use of water already appropriated;*
- (b) *The application involves an amount of water exceeding 250 acre-feet per annum;*
- (c) *The application involves an interbasin transfer of groundwater; and*
- (d) *Within 7 years after the date of last publication of the notice of application, the State Engineer has not granted the application, denied the application, held an administrative hearing on the application or issued a permit in response to the application,*

the State Engineer shall notice a new period of 45 days in which a person who is a successor in interest to a protestant or an affected water right owner may file with the State Engineer a written protest against the granting of the application. Such notification must be entered on the Internet website of the State Engineer and must, concurrently with that notification, be mailed to the board of county commissioners of the county of origin.

9. Except as otherwise provided in subsection 10, a person who is a successor in interest to a protestant or an affected water right owner who wishes to protest an application in accordance with a new period of protest noticed pursuant to subsection 8 shall, within 45 days after the date on which the notification was entered and mailed, file with the State Engineer a written protest that complies with the provisions of this chapter and with the regulations adopted by the State Engineer, including, without limitation, any regulations prescribing the use of particular forms or requiring the payment of certain fees.

10. ~~If a person is the successor in interest of an owner of a water right of an owner of real property containing a domestic well or an owner of an interest in a domestic well, and if that previous owner had already filed a written protest against the granting of an application to allow an interbasin transfer of groundwater, the successor in interest must be allowed to pursue that protest in the same manner as though he were the previous owner to whose interest he succeeded. If such a successor in interest wishes to protest an application in accordance with a new period of protest noticed pursuant to subsection 8, the successor need not file with the State Engineer a new written protest but must, within 45 days after the date on which the notification was entered and mailed, inform the Office of the State Engineer that he wishes to continue pursuing the protest or an owner of real property upon which a domestic well is located and if the former owner of the water right or real property on which a domestic well is located had previously filed a written protest against the granting of an application, the successor in interest must be allowed to pursue that protest in the same manner as if he were the former owner whose~~

interest he succeeded. If the successor in interest wishes to pursue the protest, the successor in interest must notify the State Engineer on a form provided by the State Engineer.

11. The provisions of subsections 1 to 6, inclusive, do not apply to an application for an environmental permit.

~~10.~~ 12. The provisions of subsection 7 do not authorize the recipient of an approved application to use any state land administered by the Division of State Lands of the State Department of Conservation and Natural Resources without the appropriate authorization for that use from the State Land Registrar.

~~10.~~ 13. As used in this section ~~["interbasin"]~~ :

(a) "County of origin" means the county from which groundwater is transferred or proposed to be transferred.

(b) "Domestic well" has the meaning ascribed to it in NRS 534.350.

(c) "Interbasin transfer of groundwater" means a transfer of groundwater for which the proposed point of diversion is in a different basin than the proposed place of beneficial use.

Sec. 5. NRS 533.450 is hereby amended to read as follows:

533.450 1. Any person feeling himself aggrieved by any order or decision of the State Engineer, acting in person or through his assistants or the water commissioner, affecting his interests, when ~~such~~ the order or decision relates to the administration of determined rights or is made pursuant to NRS 533.270 to 533.445, inclusive, or section 3, 7, 10 or 14 of this act, may have the same reviewed by a proceeding for that purpose, insofar as may be in the nature of an appeal, which ~~shall~~ must be initiated in the proper court of the county in which the matters affected or a portion thereof are situated, ~~but~~ on stream systems where a decree of court has been entered, the action ~~shall~~ must be initiated in the court that entered the decree. ~~Such~~ The order or decision of the State Engineer ~~shall be and remain~~ remains in full force and effect unless proceedings to review the same are commenced in the proper court within 30 days ~~following~~ after the rendition of the order or decision in question and notice thereof is given to the State Engineer as provided in subsection 3.

2. The proceedings in every case ~~shall~~ must be heard by the court, and ~~shall~~ must be informal and summary, but full opportunity to be heard ~~shall~~ must be had before judgment is pronounced.

3. No such proceedings may be entertained unless notice thereof, containing a statement of the substance of the order or decision complained of, and of the manner in which the same injuriously affects the petitioner's interests, has been served upon the State Engineer, personally or by registered or certified mail, at his office at the State Capital within 30 days following the rendition of the order or decision in question. A similar notice ~~shall~~ must also be served personally or by registered or certified mail upon the person ~~for persons~~ who may have been affected by ~~such~~ the order or decision.

4. Where evidence has been filed with, or testimony taken before, the State Engineer, a transcribed copy thereof, or of any specific part of the same, duly certified as a true and correct transcript in the manner provided by law, ~~shall~~ must be received in evidence with the same effect as if the reporter were present and testified to the facts so certified. A copy of the transcript ~~shall~~ must be furnished on demand, at actual cost, to any person affected by ~~such~~ the order or decision, and to all other persons on payment of a reasonable amount therefor, to be fixed by the State Engineer.

5. A bond ~~shall~~ must not be required except when a stay is desired, and the proceedings provided for in this section are not a stay unless, within 5 days ~~following~~ after the service of notice thereof, a bond is filed in an amount to be fixed by the court, with sureties satisfactory to ~~such~~ the court, conditioned to perform the judgment rendered in ~~such~~ the proceedings.

6. Costs ~~shall~~ must be paid as in civil cases brought in the district court, except by the State Engineer or the State.

7. The practice in civil cases applies to the informal and summary character of such proceedings, as provided in this section.

8. Appeals may be taken to the Supreme Court from the judgment of the district court in the same manner as in other civil cases.

9. The decision of the State Engineer ~~shall be~~ is prima facie correct, and the burden of proof ~~shall be~~ is upon the party attacking the same.

10. Whenever it appears to the State Engineer that any litigation, whether now pending or hereafter brought, may adversely affect the rights of the public in water, he shall request the Attorney General to appear and protect the interests of the State.

Sec. 6. Chapter 534 of NRS is hereby amended by adding thereto the provisions set forth as sections 7 and 8 of this act.

Sec. 7. 1. *Except as otherwise provided in NRS 534.280, 534.310 and 534.330 and in addition to any other penalty provided by law, the State Engineer may, after notice and opportunity for a hearing, require a person who violates any provision of this chapter or any permit, order or decision issued or regulation adopted by the State Engineer pursuant to this chapter or NRS 532.120 to:*

(a) Pay an administrative fine not to exceed \$10,000 per day for each violation as determined by the State Engineer.

(b) In the case of an unlawful waste of water in violation of NRS 534.070 or any other violation of this chapter that, as determined by the State Engineer, results in an unlawful use, waste or diversion of water, replace not more than 200 percent of the water used, wasted or diverted.

2. *In determining violations of this chapter relating to the unauthorized use of water yielded from a well that is used pursuant to a permit issued by the State Engineer and that has 16 or fewer connections, the State Engineer has the burden of proving which user is withdrawing water in excess of the portion of water allotted to the connection of that user. The State Engineer may require any or all users of the well to install and maintain, at their own expense, a meter that measures the amount of water withdrawn from the well by each connection.*

3. *If an administrative fine is imposed against a person pursuant to subsection 1 or the person is ordered to replace any water pursuant to that subsection, the State Engineer may require the person to pay the costs of the proceeding, including investigative costs and attorney's fees.*

4. *An order imposing an administrative fine or requiring the replacement of water or payment of costs or fees pursuant to this section may be reviewed by a district court pursuant to NRS 533.450.*

Sec. 8. 1. *The State Engineer may seek injunctive relief in the appropriate court to prevent the continuance or occurrence of any act or practice which violates any provision of this chapter, or any permit, order or decision issued or regulation adopted by the State Engineer pursuant to this chapter or NRS 532.120.*

2. *On a showing by the State Engineer that a person is engaged, or is about to engage, in any act or practice which violates or will violate any provision of this chapter, or any permit, order or decision issued or regulation adopted by the State Engineer pursuant to this chapter or NRS 532.120, the court may issue, without a bond, any prohibitory or mandatory injunction that the facts may warrant, including a temporary restraining order issued ex parte or, after notice and hearing, a preliminary or permanent injunction.*

3. *Failure to establish lack of an adequate remedy at law or irreparable harm is not a ground for denying a request for a temporary restraining order or injunction.*

4. *The court may require the posting of a sufficient performance bond or other security to ensure compliance with the court order within the period prescribed.*

5. *Any proceeding conducted or injunction or order issued pursuant to this section is in addition to, and not in lieu of, any other penalty or remedy available for a violation of this chapter.*

Sec. 9. Chapter 535 of NRS is hereby amended by adding thereto the provisions set forth as sections 10 and 11 of this act.

Sec. 10. 1. *In addition to any other penalty provided by law, the State Engineer may, after notice and opportunity for a hearing, require a person who violates any provision of this chapter, any permit, order or decision issued by the State Engineer pursuant to this chapter or any regulation adopted by the State Engineer pursuant to NRS 532.120 to pay an administrative fine not to exceed \$10,000 per day for each violation as determined by the State Engineer.*

2. *If an administrative fine is imposed against a person pursuant to subsection 1, the State Engineer may require the person to pay the costs of the proceeding, including investigative costs and attorney's fees.*

3. *An order imposing an administrative fine or requiring the payment of costs or fees pursuant to this section may be reviewed by a district court pursuant to NRS 533.450.*

Sec. 11. 1. *The State Engineer may seek injunctive relief in the appropriate court to prevent the continuance or occurrence of any act or practice which violates any provision of this chapter, any permit, order or decision issued by the State Engineer pursuant to this chapter or any regulation adopted by the State Engineer pursuant to NRS 532.120.*

2. *On a showing by the State Engineer that a person is engaged, or is about to engage, in any act or practice which violates or will violate any provision of this chapter, any permit, order or decision issued by the State Engineer pursuant to this chapter or any regulation adopted by the State Engineer pursuant to NRS 532.120, the court may issue, without a bond, any prohibitory or mandatory injunction that the facts may warrant, including a temporary restraining order issued ex parte or, after notice and hearing, a preliminary or permanent injunction.*

3. *Failure to establish lack of an adequate remedy at law or irreparable harm is not a ground for denying a request for a temporary restraining order or injunction.*

4. *The court may require the posting of a sufficient performance bond or other security to ensure compliance with the court order within the period prescribed.*

5. *Any proceeding conducted or injunction or order issued pursuant to this section is in addition to, and not in lieu of, any other penalty or remedy available for a violation of this chapter.*

Sec. 12. NRS 535.100 is hereby amended to read as follows:

535.100 1. ~~(It is unlawful for any person being)~~ *Any person who is the owner of or in possession of any sawmill used for the making of lumber, or any slaughterhouse, brewery or tannery ~~to~~ shall not injure or obstruct the natural flow of water in any river, creek or other stream.*

2. *Any city or county government, or any person, ~~being~~ who is the owner of or in possession of any agricultural lands ~~who may be~~ and who is injured by reason of the violation on the part of any person of the provisions contained in subsection 1 ~~shall have the right to~~ may commence and maintain an action against ~~such~~ the person for any damage sustained, in such manner as may be provided by law.*

~~3. Any person who shall willfully and knowingly violate the provisions of this section shall be punished by a fine of not more than \$500.~~

Sec. 13. Chapter 536 of NRS is hereby amended by adding thereto the provisions set forth as sections 14 and 15 of this act.

Sec. 14. 1. *In addition to any other penalty provided by law, the State Engineer may, after notice and opportunity for a hearing, require a person who violates any provision of this chapter, any order or decision issued by the State Engineer pursuant to this chapter or any regulation adopted by the State Engineer pursuant to NRS 532.120 to pay an administrative fine not to exceed \$10,000 per day for each violation as determined by the State Engineer.*

2. *If an administrative fine is imposed against a person pursuant to subsection 1, the State Engineer may require the person to pay the costs of the proceeding, including investigative costs and attorney's fees.*

3. *An order imposing an administrative fine or requiring the payment of costs or fees pursuant to this section may be reviewed by a district court pursuant to NRS 533.450.*

Sec. 15. 1. *The State Engineer may seek injunctive relief in the appropriate court to prevent the continuance or occurrence of any act or practice which violates any provision of this chapter, any order or decision issued by the State Engineer pursuant to this chapter or any regulation adopted by the State Engineer pursuant to NRS 532.120.*

2. *On a showing by the State Engineer that a person is engaged, or is about to engage, in any act or practice which violates or will violate any provision of this chapter, any order or decision issued by the State Engineer pursuant to this chapter or any regulation adopted by the State Engineer pursuant to NRS 532.120, the court may issue, without a bond, any prohibitory or mandatory injunction that the facts may warrant, including a temporary restraining order issued ex parte or, after notice and hearing, a preliminary or permanent injunction.*

3. *Failure to establish lack of an adequate remedy at law or irreparable harm is not a ground for denying a request for a temporary restraining order or injunction.*

4. *The court may require the posting of a sufficient performance bond or other security to ensure compliance with the court order within the period prescribed.*

5. *Any proceeding conducted or injunction or order issued pursuant to this section is in addition to, and not in lieu of, any other penalty or remedy available for a violation of this chapter.*

Sec. 16. The State Engineer shall, in adopting regulations to carry out the amendatory provisions of sections 1, 3, 4, 4.5, 7, 8, 10, 11, 12, 14 and 15 of this act:

1. Consider establishing a minimum threshold amount of water that a user of water would be required to exceed in using, wasting or diverting water in an unlawful manner before an administrative penalty would be imposed;

2. Comply with the provisions of chapter 233B of NRS;

3. Consider waiving an administrative penalty for a violation if the violator has, in the determination of the State Engineer, made significant progress toward correcting the violation; and

4. In addition to the requirements of subsection 1, consider waiving an administrative penalty in the case of an unauthorized use or willful waste of water in violation of NRS 533.460 or an unlawful diversion of water in violation of NRS 533.530, if the amount of water so used or wasted does not exceed 2 acre-feet per annum.

Sec. 17. The State Engineer shall, on or before January 1, 2009, submit to the Director of the Legislative Counsel Bureau a written report detailing the efforts and progress of the State Engineer in developing and adopting regulations to carry out the amendatory provisions of this act.

Sec. 18. The State Engineer shall not, before July 1, 2009, impose an administrative penalty pursuant to the amendatory provisions of this act or any regulations adopted to carry out the amendatory provisions of this act.

Sec. 19. The amendatory provisions of subsection 8 of section 4.9 of this act do not apply to:

1. An application to appropriate water filed before July 1, 2007;

2. An application to change the place of diversion, manner of use or place of use of appropriated water filed before that date; or

3. A written protest relating to an application specified in subsection 1 or 2.

~~Sec. 19.~~ Sec. 20. This act becomes effective on July 1, 2007.

MIKE MCGINNESS

DEAN A. RHOADS

MICHAEL A. SCHNEIDER

Senate Conference Committee

MARILYN KIRKPATRICK

DAVID BOBZIEN

PETE GOICOECHEA

Assembly Conference Committee

Senator McGinness moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 274.

Remarks by Senator McGinness.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Senate Bill No. 354, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment Nos. 930 and 1017 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 32, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes to provisions relating to the safety of children. (BDR 15-1062)"

"AN ACT relating to the safety of children; prohibiting the possession of certain firearms on the property of or in a vehicle of child care facilities; revising the definition of "firearm"; requiring children who are taken into custody for possession of a firearm while on school property to submit to an evaluation by a qualified professional and a drug test; revising

provisions concerning certain sex offenders who are on lifetime supervision or released on parole, probation or a suspended sentence; revising the jurisdiction of school police officers under certain circumstances; and providing other matters property relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill revises the definition of "firearm" for the purposes of the provision prohibiting the unlawful possession of a firearm while on school property. (NRS 202.265) Section 1 further makes the provisions prohibiting a person from carrying or possessing certain firearms while on school grounds or in a vehicle of a school applicable to child care facilities ~~that are licensed pursuant to chapter 432A of NRS~~. However, if the child care facility is located at or in the home of a natural person, those provisions do not apply to the owner or operator of the facility who resides in the home if he complies with all laws concerning possession of the weapon. In addition, the prohibition only applies with respect to such a facility during the normal hours of business. Existing law allows a juvenile court to decide whether to order a child who is taken into custody for certain unlawful acts involving firearms to submit to an evaluation by a qualified professional. (NRS 62C.060) Section 3 of this bill requires a juvenile court to order a child who is taken into custody for possession of a firearm on school property or at a child care facility to submit to an evaluation by a qualified professional and a drug test.

Existing law sets forth certain conditions to be imposed on sex offenders on lifetime supervision or released on parole, probation or a suspended sentence. (NRS 176A.410, 213.1243, 213.1245, 213.1255) Sections 4-6 of this bill prohibit such sex offenders from establishing residences in a facility that houses more than three persons who have been released from prison unless the facility is a facility for transitional living for released offenders that is licensed pursuant to chapter 449 of NRS.

Existing law gives school police officers the powers of a peace officer and establishes the jurisdiction of such officers. (NRS 391.275) Section 8.5 of this bill expands the jurisdiction of school police officers in certain circumstances.

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

Section 1. NRS 202.265 is hereby amended to read as follows:

202.265 1. Except as otherwise provided in this section, a person shall not carry or possess ~~it~~ while on the property of the Nevada System of Higher Education, ~~or~~ a private or public school *or child care facility*, or while in a vehicle of a private or public school ~~or~~ *or child care facility*:

- (a) An explosive or incendiary device;
- (b) A dirk, dagger or switchblade knife;
- (c) A nunchaku or trefoil;
- (d) A blackjack or billy club or metal knuckles; ~~or~~
- (e) A pistol, revolver or other firearm ~~it~~; *or*
- (f) *Any device used to mark any part of a person with paint or any other substance.*

2. Any person who violates subsection 1 is guilty of a gross misdemeanor.

3. This section does not prohibit the possession of a weapon listed in subsection 1 on the property of ~~it~~:

(a) *A private or public school or child care facility* by a:

- ~~(a)~~ (1) Peace officer;
- ~~(b)~~ (2) School security guard; or
- ~~(c)~~ (3) Person having written permission from the president of a branch or facility of the Nevada System of Higher Education or the principal of the school *or the person designated by a child care facility to give permission* to carry or possess the weapon.

(b) *A child care facility which is located at or in the home of a natural person by the person who owns or operates the facility so long as the person resides in the home and the person complies with any laws governing the possession of such a weapon.*

4. *The provisions of this section apply to a child care facility located at or in the home of a natural person only during the normal hours of business of the facility.*

~~4~~ 5. For the purposes of this section:

(a) "Childcare facility" means any child care facility that is licensed pursuant to chapter 432A of NRS or licensed by a city or county.

~~(b)~~ "Firearm" includes ~~the~~

~~(1) Any device used to mark the clothing of a person with paint or any other substance;~~

~~and~~
~~(2) Any~~ any device from which a metallic projectile, including any ball bearing or pellet, may be expelled by means of spring, gas, air or other force.

~~(b)~~ ~~(c)~~ "Nunchaku" has the meaning ascribed to it in NRS 202.350.

~~(c)~~ ~~(d)~~ "Switchblade knife" has the meaning ascribed to it in NRS 202.350.

~~(d)~~ ~~(e)~~ "Trefoil" has the meaning ascribed to it in NRS 202.350.

~~(e)~~ ~~(f)~~ "Vehicle" has the meaning ascribed to "school bus" in NRS 484.148.

Sec. 2. NRS 202.3673 is hereby amended to read as follows:

202.3673 1. Except as otherwise provided in subsections 2 and 3, a permittee may carry a concealed firearm while he is on the premises of any public building.

2. A permittee shall not carry a concealed firearm while he is on the premises of a public building that is located on the property of a public airport.

3. A permittee shall not carry a concealed firearm while he is on the premises of:

(a) A public building that is located on the property of a public school *or a child care facility* or the property of the Nevada System of Higher Education, unless the permittee has obtained written permission to carry a concealed firearm while he is on the premises of the public building pursuant to *subparagraph (3) of paragraph* ~~(e)~~ (a) of subsection 3 of NRS 202.265.

(b) A public building that has a metal detector at each public entrance or a sign posted at each public entrance indicating that no firearms are allowed in the building, unless the permittee is not prohibited from carrying a concealed firearm while he is on the premises of the public building pursuant to subsection 4.

4. The provisions of paragraph (b) of subsection 3 do not prohibit:

(a) A permittee who is a judge from carrying a concealed firearm in the courthouse or courtroom in which he presides or from authorizing a permittee to carry a concealed firearm while in the courtroom of the judge and while traveling to and from the courtroom of the judge.

(b) A permittee who is a prosecuting attorney of an agency or political subdivision of the United States or of this State from carrying a concealed firearm while he is on the premises of a public building.

(c) A permittee who is employed in the public building from carrying a concealed firearm while he is on the premises of the public building.

(d) A permittee from carrying a concealed firearm while he is on the premises of the public building if the permittee has received written permission from the person in control of the public building to carry a concealed firearm while the permittee is on the premises of the public building.

5. A person who violates subsection 2 or 3 is guilty of a misdemeanor.

6. As used in this section ~~the "public"~~:

(a) "Childcare facility" has the meaning ascribed to it in paragraph (a) of subsection 5 of NRS 202.265.

(b) "Public building" means any building or office space occupied by:

~~(c)~~ *(1) Any component of the Nevada System of Higher Education and used for any purpose related to the System; or*

~~(d)~~ *(2) The Federal Government, the State of Nevada or any county, city, school district or other political subdivision of the State of Nevada and used for any public purpose.*

➤ If only part of the building is occupied by an entity described in this subsection, the term means only that portion of the building which is so occupied.

Sec. 3. NRS 62C.060 is hereby amended to read as follows:

62C.060 1. If a peace officer or probation officer has probable cause to believe that a child is committing or has committed an unlawful act that involves the possession, use or threatened use of a firearm, the officer shall take the child into custody.

2. If a child is taken into custody for an unlawful act described in this section, the child must not be released before a detention hearing is held pursuant to NRS 62C.040.

3. At the detention hearing, the juvenile court shall, *if the child was taken into custody for:*

(a) *Carrying or possessing a firearm while on the property of the Nevada System of Higher Education, a private or public school or child care facility, or while in a vehicle of a private or public school or child care facility, order the child to:*

(1) *Be evaluated by a qualified professional; and*

(2) *Submit to a test to determine whether the child is using any controlled substance.*

(b) *Committing an unlawful act involving a firearm other than the act described in paragraph (a), determine whether to order the child to be evaluated by a qualified professional.*

4. If the juvenile court orders the child to be evaluated by a qualified professional ~~to~~ *or to submit to a test to determine whether the child is using any controlled substance*, the evaluation *or the results from the test* must be completed not later than 14 days after the detention hearing. Until the evaluation *or the test* is completed, the child must be:

(a) Detained at a facility for the detention of children; or

(b) Placed under a program of supervision in the home of the child that may include electronic surveillance of the child.

5. If a child is evaluated by a qualified professional pursuant to this section, the statements made by the child to the qualified professional during the evaluation and any evidence directly or indirectly derived from those statements may not be used for any purpose in a proceeding which is conducted to prove that the child committed a delinquent act or criminal offense. The provisions of this subsection do not prohibit the district attorney from proving that the child committed a delinquent act or criminal offense based upon evidence obtained from sources or by means that are independent of the statements made by the child to the qualified professional during the evaluation.

6. As used in this section, "child care facility" has the meaning ascribed to it in paragraph (a) of subsection 5 of NRS 202.265.

Sec. 4. NRS 176A.410 is hereby amended to read as follows:

176A.410 1. Except as otherwise provided in subsection 3, if a defendant is convicted of a sexual offense and the court grants probation or suspends the sentence, the court shall, in addition to any other condition ordered pursuant to NRS 176A.400, order as a condition of probation or suspension of sentence that the defendant:

(a) Submit to a search and seizure of his person, residence or vehicle or any property under his control, at any time of the day or night, without a warrant, by any parole and probation officer or any peace officer, for the purpose of determining whether the defendant has violated any condition of probation or suspension of sentence or committed any crime. ~~to~~

(b) Reside at a location only if ~~to~~:

(1) *The residence* has been approved by the parole and probation officer assigned to the defendant. ~~and keep~~

(2) *If the residence is a facility that houses more than three persons who have been released from prison, the facility is a facility for transitional living for released offenders that is licensed pursuant to chapter 449 of NRS.*

(3) *The defendant keeps* the parole and probation officer informed of his current address. ~~to~~

(c) Accept a position of employment or a position as a volunteer only if it has been approved by the parole and probation officer assigned to the defendant and keep the parole and probation officer informed of the location of his position of employment or position as a volunteer. ~~to~~

(d) Abide by any curfew imposed by the parole and probation officer assigned to the defendant. ~~to~~

(e) Participate in and complete a program of professional counseling approved by the Division. ~~to~~

(f) Submit to periodic tests, as requested by the parole and probation officer assigned to the defendant, to determine whether the defendant is using a controlled substance. ~~to~~

(g) Submit to periodic polygraph examinations, as requested by the parole and probation officer assigned to the defendant. ~~to~~

(h) Abstain from consuming, possessing or having under his control any alcohol. ~~to~~

(i) Not have contact or communicate with a victim of the sexual offense or a witness who testified against the defendant or solicit another person to engage in such contact or communication on behalf of the defendant, unless approved by the parole and probation officer

assigned to the defendant, and a written agreement is entered into and signed in the manner set forth in subsection 2 . ~~{}{}~~

(j) Not use aliases or fictitious names . ~~{}{}~~

(k) Not obtain a post office box unless the defendant receives permission from the parole and probation officer assigned to the defendant . ~~{}{}~~

(l) Not have contact with a person less than 18 years of age in a secluded environment unless another adult who has never been convicted of a sexual offense is present and permission has been obtained from the parole and probation officer assigned to the defendant in advance of each such contact . ~~{}{}~~

(m) Unless approved by the parole and probation officer assigned to the defendant and by a psychiatrist, psychologist or counselor treating the defendant, if any, not be in or near:

(1) A playground, park, school or school grounds;

(2) A motion picture theater; or

(3) A business that primarily has children as customers or conducts events that primarily children attend . ~~{}{}~~

(n) Comply with any protocol concerning the use of prescription medication prescribed by a treating physician, including, without limitation, any protocol concerning the use of psychotropic medication . ~~{}{}~~

(o) Not possess any sexually explicit material that is deemed inappropriate by the parole and probation officer assigned to the defendant . ~~{}{}~~

(p) Not patronize a business which offers a sexually related form of entertainment and which is deemed inappropriate by the parole and probation officer assigned to the defendant . ~~{}{}~~

(q) Not possess any electronic device capable of accessing the Internet and not access the Internet through any such device or any other means, unless possession of such a device or such access is approved by the parole and probation officer assigned to the defendant . ~~{}{and}~~

(r) Inform the parole and probation officer assigned to the defendant if the defendant expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education. As used in this paragraph, "institution of higher education" has the meaning ascribed to it in NRS 179D.045.

2. A written agreement entered into pursuant to paragraph (i) of subsection 1 must state that the contact or communication is in the best interest of the victim or witness, and specify the type of contact or communication authorized. The written agreement must be signed and agreed to by:

(a) The victim or the witness;

(b) The defendant;

(c) The parole and probation officer assigned to the defendant;

(d) The psychiatrist, psychologist or counselor treating the defendant, victim or witness, if any; and

(e) If the victim or witness is a child under 18 years of age, each parent, guardian or custodian of the child.

3. The court is not required to impose a condition of probation or suspension of sentence listed in subsection 1 if the court finds that extraordinary circumstances are present and the court enters those extraordinary circumstances in the record.

4. As used in this section, "sexual offense" has the meaning ascribed to it in NRS 179D.410.

Sec. 5. NRS 213.1243 is hereby amended to read as follows:

213.1243 1. The Board shall establish by regulation a program of lifetime supervision of sex offenders to commence after any period of probation or any term of imprisonment and any period of release on parole. The program must provide for the lifetime supervision of sex offenders by parole and probation officers.

2. Lifetime supervision shall be deemed a form of parole for:

(a) The limited purposes of the applicability of the provisions of NRS 213.1076, subsection 9 of NRS 213.1095, NRS 213.1096 and subsection 2 of NRS 213.110; and

(b) The purposes of the Interstate Compact for Adult Offender Supervision ratified, enacted and entered into by the State of Nevada pursuant to NRS 213.215.

3. Except as otherwise provided in subsection 4, the Board shall require as a condition of lifetime supervision that the sex offender reside at a location only if:

(a) The residence has been approved by the parole and probation officer assigned to the person.

(b) If the residence is a facility that houses more than three persons who have been released from prison, the facility is a facility for transitional living for released offenders that is licensed pursuant to chapter 449 of NRS.

(c) The person keeps the parole and probation officer informed of his current address.

4. The Board is not required to impose a condition pursuant to the program of lifetime supervision listed in subsection 3 if the Board finds that extraordinary circumstances are present and the Board states those extraordinary circumstances in writing.

5. A person who commits a violation of a condition imposed on him pursuant to the program of lifetime supervision is guilty of:

(a) If the violation constitutes a minor violation, a misdemeanor.

(b) If the violation constitutes a major violation, a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

~~4-1~~ 6. For the purposes of prosecution of a violation by a person of a condition imposed upon him pursuant to the program of lifetime supervision, the violation shall be deemed to have occurred in, and may only be prosecuted in, the county in which the court that imposed the sentence of lifetime supervision pursuant to NRS 176.0931 is located, regardless of whether the acts or conduct constituting the violation took place, in whole or in part, within or outside that county or within or outside this State.

~~5-1~~ 7. As used in this section:

(a) "Major violation" means a violation which poses a threat to the safety or well-being of others and which involves:

(1) The commission of any crime that is punishable as a gross misdemeanor or felony or any crime that involves a victim who is less than 18 years of age;

(2) The use of a deadly weapon, explosives or a firearm;

(3) The use or threatened use of force or violence against a person;

(4) Death or bodily injury of a person;

(5) An act of domestic violence;

(6) Harassment, stalking or threats of any kind; or

(7) The forcible or unlawful entry of a home, building, structure or vehicle in which a person is present.

(b) "Minor violation" means a violation that does not constitute a major violation.

Sec. 6. NRS 213.1245 is hereby amended to read as follows:

213.1245 1. Except as otherwise provided in subsection 3, if the Board releases on parole a prisoner convicted of an offense listed in NRS 179D.620, the Board shall, in addition to any other condition of parole, require as a condition of parole that the parolee:

(a) Reside at a location only if ~~the~~:

(1) The residence has been approved by the parole and probation officer assigned to the parolee. ~~and keep~~

(2) If the residence is a facility that houses more than three persons who have been released from prison, the facility is a facility for transitional living for released offenders that is licensed pursuant to chapter 449 of NRS.

(3) The parolee keeps the parole and probation officer informed of his current address. ~~the~~

(b) Accept a position of employment or a position as a volunteer only if it has been approved by the parole and probation officer assigned to the parolee and keep the parole and probation officer informed of the location of his position of employment or position as a volunteer. ~~the~~

(c) Abide by any curfew imposed by the parole and probation officer assigned to the parolee.

~~the~~ (d) Participate in and complete a program of professional counseling approved by the Division. ~~the~~

(e) Submit to periodic tests, as requested by the parole and probation officer assigned to the parolee, to determine whether the parolee is using a controlled substance. ~~the~~

(f) Submit to periodic polygraph examinations, as requested by the parole and probation officer assigned to the parolee . ~~§~~

(g) Abstain from consuming, possessing or having under his control any alcohol . ~~§~~

(h) Not have contact or communicate with a victim of the offense or a witness who testified against the parolee or solicit another person to engage in such contact or communication on behalf of the parolee, unless approved by the parole and probation officer assigned to the parolee, and a written agreement is entered into and signed in the manner set forth in subsection 2 . ~~§~~

(i) Not use aliases or fictitious names . ~~§~~

(j) Not obtain a post office box unless the parolee receives permission from the parole and probation officer assigned to the parolee . ~~§~~

(k) Not have contact with a person less than 18 years of age in a secluded environment unless another adult who has never been convicted of an offense listed in NRS 179D.410 is present and permission has been obtained from the parole and probation officer assigned to the parolee in advance of each such contact . ~~§~~

(l) Unless approved by the parole and probation officer assigned to the parolee and by a psychiatrist, psychologist or counselor treating the parolee, if any, not be in or near:

(1) A playground, park, school or school grounds;

(2) A motion picture theater; or

(3) A business that primarily has children as customers or conducts events that primarily children attend . ~~§~~

(m) Comply with any protocol concerning the use of prescription medication prescribed by a treating physician, including, without limitation, any protocol concerning the use of psychotropic medication . ~~§~~

(n) Not possess any sexually explicit material that is deemed inappropriate by the parole and probation officer assigned to the parolee . ~~§~~

(o) Not patronize a business which offers a sexually related form of entertainment and which is deemed inappropriate by the parole and probation officer assigned to the parolee . ~~§~~

(p) Not possess any electronic device capable of accessing the Internet and not access the Internet through any such device or any other means, unless possession of such a device or such access is approved by the parole and probation officer assigned to the parolee . ~~§ and~~

(q) Inform the parole and probation officer assigned to the parolee if the parolee expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education. As used in this paragraph, "institution of higher education" has the meaning ascribed to it in NRS 179D.045.

2. A written agreement entered into pursuant to paragraph (h) of subsection 1 must state that the contact or communication is in the best interest of the victim or witness, and specify the type of contact or communication authorized. The written agreement must be signed and agreed to by:

(a) The victim or the witness;

(b) The parolee;

(c) The parole and probation officer assigned to the parolee;

(d) The psychiatrist, psychologist or counselor treating the parolee, victim or witness, if any; and

(e) If the victim or witness is a child under 18 years of age, each parent, guardian or custodian of the child.

3. The Board is not required to impose a condition of parole listed in subsection 1 if the Board finds that extraordinary circumstances are present and the Board states those extraordinary circumstances in writing.

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 8.5. NRS 391.275 is hereby amended to read as follows:

391.275 1. The jurisdiction of each school police officer of a school district extends to all school property, buildings and facilities within the school district ~~§~~ for the purpose of:

~~§~~ (a) Protecting school district personnel, pupils, or real or personal property; or

~~{2-}~~ (b) Cooperating with local law enforcement agencies in matters relating to personnel, pupils or real or personal property of the school district.

2. *In addition to the jurisdiction set forth in subsection 1, a school police officer of a school district has jurisdiction:*

(a) *Beyond the school property, buildings and facilities when in hot pursuit of a person believed to have committed a crime;*

(b) *At activities or events sponsored by the school district that are in a location other than the property, buildings or facilities within the school district; and*

(c) *When authorized by the superintendent of schools of the school district, on the streets that are adjacent to the school property, buildings and facilities within the school district for the purpose of issuing traffic citations for violations of traffic laws and ordinances during the times that the school is in session or school-related activities are in progress.*

Sec. 9. NRS 449.037 is hereby amended to read as follows:

449.037 1. The Board shall adopt:

(a) Licensing standards for each class of medical facility or facility for the dependent covered by NRS 449.001 to 449.240, inclusive, and for programs of hospice care.

(b) Regulations governing the licensing of such facilities and programs.

(c) Regulations governing the procedure and standards for granting an extension of the time for which a natural person may provide certain care in his home without being considered a residential facility for groups pursuant to NRS 449.017. The regulations must require that such grants are effective only if made in writing.

(d) Regulations establishing a procedure for the indemnification by the Health Division, from the amount of any surety bond or other obligation filed or deposited by a facility for refractive surgery pursuant to NRS 449.068 or 449.069, of a patient of the facility who has sustained any damages as a result of the bankruptcy of or any breach of contract by the facility.

(e) Any other regulations as it deems necessary or convenient to carry out the provisions of NRS 449.001 to 449.240, inclusive.

2. The Board shall adopt separate regulations governing the licensing and operation of:

(a) Facilities for the care of adults during the day; and

(b) Residential facilities for groups,

☛ which provide care to persons with Alzheimer's disease.

3. The Board shall adopt separate regulations for:

(a) The licensure of rural hospitals which take into consideration the unique problems of operating such a facility in a rural area.

(b) The licensure of facilities for refractive surgery which take into consideration the unique factors of operating such a facility.

(c) The licensure of mobile units which take into consideration the unique factors of operating a facility that is not in a fixed location.

4. The Board shall require that the practices and policies of each medical facility or facility for the dependent provide adequately for the protection of the health, safety and physical, moral and mental well-being of each person accommodated in the facility.

5. The Board shall establish minimum qualifications for administrators and employees of residential facilities for groups. In establishing the qualifications, the Board shall consider the related standards set by nationally recognized organizations which accredit such facilities.

6. The Board shall adopt separate regulations regarding the assistance which may be given pursuant to NRS 453.375 and 454.213 to an ultimate user of controlled substances or dangerous drugs by employees of residential facilities for groups. The regulations must require at least the following conditions before such assistance may be given:

(a) The ultimate user's physical and mental condition is stable and is following a predictable course.

(b) The amount of the medication prescribed is at a maintenance level and does not require a daily assessment.

(c) A written plan of care by a physician or registered nurse has been established that:

(1) Addresses possession and assistance in the administration of the medication; and

(2) Includes a plan, which has been prepared under the supervision of a registered nurse or licensed pharmacist, for emergency intervention if an adverse condition results.

(d) The prescribed medication is not administered by injection or intravenously.

(e) The employee has successfully completed training and examination approved by the Health Division regarding the authorized manner of assistance.

7. The Board shall adopt separate regulations governing the licensing and operation of residential facilities for groups which provide assisted living services. The Board shall not allow the licensing of a facility as a residential facility for groups which provides assisted living services and a residential facility for groups shall not claim that it provides "assisted living services" unless:

(a) Before authorizing a person to move into the facility, the facility makes a full written disclosure to the person regarding what services of personalized care will be available to the person and the amount that will be charged for those services throughout the resident's stay at the facility.

(b) The residents of the facility reside in their own living units which:

(1) Except as otherwise provided in subsection 8, contain toilet facilities;

(2) Contain a sleeping area or bedroom; and

(3) Are shared with another occupant only upon consent of both occupants.

(c) The facility provides personalized care to the residents of the facility and the general approach to operating the facility incorporates these core principles:

(1) The facility is designed to create a residential environment that actively supports and promotes each resident's quality of life and right to privacy;

(2) The facility is committed to offering high-quality supportive services that are developed by the facility in collaboration with the resident to meet the resident's individual needs;

(3) The facility provides a variety of creative and innovative services that emphasize the particular needs of each individual resident and his personal choice of lifestyle;

(4) The operation of the facility and its interaction with its residents supports, to the maximum extent possible, each resident's need for autonomy and the right to make decisions regarding his own life;

(5) The operation of the facility is designed to foster a social climate that allows the resident to develop and maintain personal relationships with fellow residents and with persons in the general community;

(6) The facility is designed to minimize and is operated in a manner which minimizes the need for its residents to move out of the facility as their respective physical and mental conditions change over time; and

(7) The facility is operated in such a manner as to foster a culture that provides a high-quality environment for the residents, their families, the staff, any volunteers and the community at large.

8. The Health Division may grant an exception from the requirement of subparagraph (1) of paragraph (b) of subsection 7 to a facility licensed as a residential facility for groups on or before July 1, 2005, and which is authorized to have 10 or fewer beds and was originally constructed as a single-family dwelling, if the Health Division finds that:

(a) Strict application of that requirement would result in economic hardship to the facility requesting the exception; and

(b) The exception, if granted, would not:

(1) Cause substantial detriment to the health or welfare of any resident of the facility;

(2) Result in more than two residents sharing a toilet facility; or

(3) Otherwise impair substantially the purpose of that requirement.

9. The Board shall, if it determines necessary, adopt regulations and requirements to ensure that each residential facility for groups and its staff are prepared to respond to an emergency, including, without limitation:

(a) The adoption of plans to respond to a natural disaster and other types of emergency situations, including, without limitation, an emergency involving fire;

(b) The adoption of plans to provide for the evacuation of a residential facility for groups in an emergency, including, without limitation, plans to ensure that nonambulatory patients may be evacuated;

(c) Educating the residents of residential facilities for groups concerning the plans adopted pursuant to paragraphs (a) and (b); and

(d) Posting the plans or a summary of the plans adopted pursuant to paragraphs (a) and (b) in a conspicuous place in each residential facility for groups.

10. The regulations governing the licensing and operation of facilities for transitional living for released offenders must provide for the licensure of at least three different types of facilities, including, without limitation:

(a) Facilities that only provide a housing and living environment;

(b) Facilities that provide or arrange for the provision of supportive services for residents of the facility to assist the residents with reintegration into the community, in addition to providing a housing and living environment; and

(c) Facilities that provide or arrange for the provision of alcohol and drug abuse programs, in addition to providing a housing and living environment and providing or arranging for the provision of other supportive services.

➤ *The regulations must provide that if a facility was originally constructed as a single-family dwelling, the facility must not be authorized for more than eight beds.*

11. As used in this section, "living unit" means an individual private accommodation designated for a resident within the facility.

Sec. 10. The amendatory provisions of:

1. Section 4 of this act apply to any person who is granted probation or a suspension of sentence before, on or after October 1, 2007;

2. Section 5 of this act apply to any person placed under a program of lifetime supervision before, on or after October 1, 2007; and

3. Sections 6 and 7 of this act apply to any person released on parole before, on or after October 1, 2007.

STEVEN A. HORSFORD

VALERIE WIENER

MAURICE E. WASHINGTON

Senate Conference Committee

BERNIE ANDERSON

MARILYN KIRKPATRICK

JOHN C. CARPENTER

Assembly Conference Committee

Senator Horsford moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 354.

Remarks by Senators Horsford and Hardy.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Senate Bill No. 529, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 985 of the Assembly be concurred in.

MAURICE E. WASHINGTON

JOYCE WOODHOUSE

JOSEPH J. HECK

Senate Conference Committee

PEGGY PIERCE

SUSAN GERHARDT

JOE HARDY

Assembly Conference Committee

Senator Washington moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 529.

Remarks by Senator Washington.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 178, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 1013 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 38, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions relating to net metering and energy. (BDR 58-1054)"

"AN ACT relating to energy; requiring certain lights sold in this State to meet certain standards of energy efficiency; revising the authority of the Director of the Office of Energy; revising the membership of the Task Force for Renewable Energy and Energy Conservation; revising various provisions relating to net metering; revising provisions governing the exemption of electric generating plants; providing for the establishment of a pilot program to collect and separate recyclable material that may be used as renewable energy or converted into renewable fuel; providing for the establishment of the Wind Energy Systems Demonstration Program; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill prohibits the sale in this State of certain general purpose lights that do not produce a certain amount of lumens per watt of electricity consumed, and requires the Director of the Office of Energy to adopt regulations establishing a minimum standard of energy efficiency for such lights.

Existing law provides for the membership of the Task Force for Renewable Energy and Energy Conservation. (NRS 701.350) Sections 1.35 and 29.7 of this bill revise the membership of the Task Force.

Existing law authorizes a customer of an electric utility to use a net metering system on the customer's premises to generate electricity to offset part or all of the customer's requirements for electricity. The net metering system must use renewable energy as its primary source of energy to generate electricity, and the system is allowed to have a generating capacity of not more than 150 kilowatts. (NRS 704.766-704.775)

Section 1.4 of this bill provides that one of the purposes and policies of the Legislature in enacting the net metering statutes is to streamline the process for customers of a utility to apply for and install net metering systems.

Section 1.5 of this bill provides for a general increase in the permissible capacity of net metering systems and allows a customer-generator to use a net metering system of not more than 1 megawatt. However, section 1.5 also places specific limitations on the capacity of net metering systems under certain circumstances.

Section 2 of this bill requires the Public Utilities Commission of Nevada to adopt regulations regarding a net metering tariff and a standard net metering contract. Section 3 of this bill changes the method for calculating the value of the electricity generated by certain net metering systems.

Existing law provides for the establishment of programs for collecting and separating recyclable material. (Chapter 444A of NRS) Section 4.5 of this bill provides that in a county whose population is 400,000 or more (currently Clark County), the board of county commissioners shall, in conjunction with each licensed hauler of garbage and refuse, establish a pilot program for collecting and separating recyclable material that may be used as a source of renewable energy or converted into renewable fuel.

Under the Solar Energy Systems Demonstration Program Act, certain entities, such as schools and public agencies, which install solar energy systems are entitled to participate in a demonstration program and receive incentives for such participation. (Chapter 331, Statutes of Nevada 2003, p. 1868) The Solar Energy Systems Demonstration Program Act expires by limitation on June 30, 2010. (Chapter 2, Statutes of Nevada 2005, 22nd Special Session, p. 90)

Sections 5-29 of this bill enact the Wind Energy Systems Demonstration Program Act, a similar demonstration program for wind energy systems. Under this bill, the Wind Energy Systems Demonstration Program Act expires by limitation on ~~(June 30, 2011)~~ certain specified dates.

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

Section 1. Chapter 701 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Between January 1, 2012, and December 31, 2015, inclusive, no general purpose light may be sold in this State unless it produces at least 25 lumens per watt of electricity consumed.*

2. *On and after January 1, 2016, no general purpose light may be sold in this State unless it meets or exceeds the minimum standard of energy efficiency established by the Director pursuant to subsection 3 for lumens per watt of electricity consumed.*

3. *The Director shall adopt regulations to carry out the provisions of this section. The regulations must, without limitation:*

(a) *Establish a minimum standard of energy efficiency for lumens per watt of electricity consumed that must be produced by general purpose lights sold in this State on and after January 1, 2016. The minimum standard of energy efficiency established by the Director must exceed 25 lumens per watt of electricity consumed.*

(b) *Attempt to minimize the overall cost to consumers for general purpose lighting, considering the needs of consumers relating to lighting, technological feasibility and anticipated product availability and performance.*

4. *As used in this section, "general purpose light" means lamps, bulbs, tubes or other devices that provide functional illumination for indoor or outdoor use. The term does not include "specialty lighting" or "lighting necessary to provide illumination for persons with special needs," as defined by the Director by regulation.*

Sec. 1.3. NRS 701.170 is hereby amended to read as follows:

701.170 The Director may:

1. Administer any gifts or grants which the Office of Energy is authorized to accept for the purposes of this chapter.

2. Expend money received from those gifts or grants or from legislative appropriations to contract with qualified persons or institutions for research in the production and efficient use of energy resources.

3. Enter into any cooperative agreement with any federal or state agency or political subdivision.

4. Participate in any program established by the Federal Government relating to sources of energy and adopt regulations appropriate to that program.

5. Assist developers of renewable energy generation projects in preparing and making requests to obtain money for development through the issuance of industrial development revenue bonds pursuant to NRS 349.400 to 349.670, inclusive.

6. Adopt any regulations that the Director determines are necessary to carry out the duties of the Office of Energy pursuant to this chapter.

7. *Within the limits of legislative appropriations and other money authorized for expenditure for such purposes, promote, participate in the operation of, and create or cause to be created, any nonprofit corporation, pursuant to chapter 82 of NRS, which he determines is necessary or convenient for the exercise of the powers and duties of the Office of Energy. The purposes, powers and operation of the corporation must be consistent with the purposes, powers and duties of the Office of Energy.*

8. *Within the limits of legislative appropriations and other money authorized for expenditure for such purposes, negotiate and execute agreements with public or private entities which are necessary to the exercise of the powers and duties of the Director or the Office of Energy.*

Sec. 1.35. NRS 701.350 is hereby amended to read as follows:

701.350 1. The Task Force for Renewable Energy and Energy Conservation is hereby created. The Task Force consists of ~~11~~ 15 members who are appointed as follows:

(a) Two members appointed by the Majority Leader of the Senate, one of whom represents the interests of the renewable energy industry in this State with respect to biomass and the other of whom represents the interests of the mining industry in this State.

(b) Two members appointed by the Speaker of the Assembly, one of whom represents the interests of the renewable energy industry in this State with respect to geothermal energy and the other of whom represents the interests of a nonprofit organization dedicated to the protection of the environment or to the conservation of energy or the efficient use of energy.

(c) ~~One member~~ Two members appointed by the Minority Leader of the Senate ~~to represent~~ one of whom represents the interests of the natural gas industry in this State and one or whom represents the interests of the renewable energy industry in this State with respect to solar energy.

(d) ~~[One member]~~ *Two members* appointed by the Minority Leader of the Assembly to represent the interests of the ~~[public]~~ *electric* utilities in this State.

(e) Two members appointed by the Governor, one of whom represents the interests of the renewable energy industry in this State with respect to wind and the other of whom represents the interests of the gaming industry in this State.

(f) One member appointed by the Consumer's Advocate to represent the interests of the consumers in this State.

(g) One member appointed by the governing board of the State of Nevada AFL-CIO or, if the State of Nevada AFL-CIO ceases to exist, by its successor organization or, if there is no successor organization, by the Governor.

(h) One member appointed by the Governor to represent the interests of energy conservation and the efficient use of energy in this State.

(i) ~~One member appointed by the [Desert Research Institute or its successor organization or, if there is no successor organization, by the Governor.] Chancellor of the Nevada System of Higher Education to represent the interests of education and academic research in this State.~~

(j) ~~One member who is an appointed [by] member of the Commission on Economic Development.~~

~~(k) Two members appointed jointly by the United States Senators of this State.] and who has been selected by that Commission to serve as a member of the Task Force.~~

2. A member of the Task Force:

(a) Must be a citizen of the United States and a resident of this State.

(b) Must have training, education, experience or knowledge concerning:

(1) The development or use of renewable energy;

(2) Financing, planning or constructing renewable energy generation projects;

(3) Measures which conserve or reduce the demand for energy or which result in more efficient use of energy;

(4) Weatherization;

(5) Building and energy codes and standards;

(6) Grants or incentives concerning energy;

(7) Public education or community relations; or

(8) Any other matter within the duties of the Task Force.

(c) Must not be an officer or employee of the Legislative or Judicial Department of State Government.

3. After the initial terms, the term of each member of the Task Force is 3 years ~~[]~~, *except that the member of the Task Force who is also an appointed member of the Commission on Economic Development serves at the pleasure of that Commission.* A vacancy on the Task Force must be filled for the remainder of the unexpired term in the same manner as the original appointment. A member may be reappointed to the Task Force.

4. A member of the Task Force who is an officer or employee of this State or a political subdivision of this State must be relieved from his duties without loss of his regular compensation so that he may prepare for and attend meetings of the Task Force and perform any work that is necessary to carry out the duties of the Task Force in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or employee who is a member of the Task Force to:

(a) Make up the time he is absent from work to carry out his duties as a member of the Task Force; or

(b) Take annual leave or compensatory time for the absence.

Sec. 1.4. NRS 704.766 is hereby amended to read as follows:

704.766 It is hereby declared to be the purpose and policy of the Legislature in enacting NRS 704.766 to 704.775, inclusive, to:

1. Encourage private investment in renewable energy resources;

2. Stimulate the economic growth of this State; ~~[and]~~

3. Enhance the continued diversification of the energy resources used in this State ~~[]~~; and

4. *Streamline the process for customers of a utility to apply for and install net metering systems.*

Sec. 1.5. NRS 704.771 is hereby amended to read as follows:

704.771 1. "Net metering system" means a facility or energy system for the generation of electricity that:

- ~~[1.]~~ (a) Uses renewable energy as its primary source of energy to generate electricity;
- ~~[2.]~~ (b) Has a generating capacity of not more than ~~[150 kilowatts;~~
~~3.]~~ 1 megawatt;
- (c) Is located on the customer-generator's premises;
- ~~[4.]~~ (d) Operates in parallel with the utility's transmission and distribution facilities; and
- ~~[5.]~~ (e) Is intended primarily to offset part or all of the customer-generator's requirements for electricity.

2. The term does not include a facility or energy system for the generation of electricity which has a generating capacity that exceeds the greater of:

- (a) The limit on the demand that the class of customer of the customer-generator may place on the system of the utility; or
- (b) One hundred fifty percent of the peak demand of the customer.

Sec. 2. NRS 704.773 is hereby amended to read as follows:

704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer-generators operating within its service area until the cumulative capacity of all such net metering systems is equal to 1 percent of the utility's peak capacity.

2. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of not more than ~~[30]~~ 100 kilowatts, the utility:

- (a) Shall offer to make available to the customer-generator an energy meter that is capable of registering the flow of electricity in two directions.
- (b) May, at its own expense and with the written consent of the customer-generator, install one or more additional meters to monitor the flow of electricity in each direction.
- (c) Shall not charge a customer-generator any fee or charge that would increase the customer-generator's minimum monthly charge to an amount greater than that of other customers of the utility in the same rate class as the customer-generator.

3. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of more than ~~[30]~~ 100 kilowatts, the utility ~~may~~:

~~(a) Require~~ :

- (a) May require the customer-generator to install at its own cost ~~[an]~~ :

(1) An energy meter that is capable of measuring generation output and customer load ~~[.]~~ ;
and

(2) Any upgrades to the system of the utility that are required to make the net metering system compatible with the system of the utility.

(b) ~~[Charge]~~ Except as otherwise provided in paragraph (c), may charge the customer-generator any applicable fee or charge charged to other customers of the utility in the same rate class as the customer-generator, including, without limitation, customer, demand and facility charges.

(c) Shall not charge the customer-generator any standby charge.

↪ At the time of installation or upgrade of any portion of a net metering system, the utility must allow a customer-generator governed by this subsection to pay the entire cost of the installation or upgrade of the portion of the net metering system.

4. The Commission shall adopt regulations prescribing the form and substance for a net metering tariff and a standard net metering contract. The regulations must include, without limitation:

(a) The particular provisions, limitations and responsibilities of a customer-generator which must be included in a net metering tariff with regard to:

- (1) Metering equipment;
- (2) Net energy metering and billing; and
- (3) Interconnection,

↪ based on the allowable size of the net metering system.

(b) The particular provisions, limitations and responsibilities of a customer-generator and the utility which must be included in a standard net metering contract.

(c) A timeline for processing applications and contracts for net metering applicants.

(d) Any other provisions the Commission finds necessary to carry out the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 3. NRS 704.775 is hereby amended to read as follows:

704.775 1. The billing period for net metering must be a monthly period.

2. ~~If a customer generator's net metering system has a capacity of not more than 30 kilowatts, the~~ The net energy measurement must be calculated in the following manner:

(a) The utility shall measure, in kilowatt-hours, the net electricity produced or consumed during the billing period, in accordance with normal metering practices.

(b) If the electricity supplied by the utility exceeds the electricity generated by the customer-generator which is fed back to the utility during the billing period, the customer-generator must be billed for the net electricity supplied by the utility.

(c) If the electricity generated by the customer-generator which is fed back to the utility exceeds the electricity supplied by the utility during the billing period:

(1) Neither the utility nor the customer-generator is entitled to compensation for the electricity provided to the other during the billing period.

(2) The excess electricity which is fed back to the utility during the billing period is carried forward to the next billing period as an addition to the kilowatt - hours generated by the customer-generator in that billing period. If the customer-generator is billed for electricity pursuant to a time-of-use rate schedule, the excess electricity carried forward must be added to the same time-of-use period as the time-of-use period in which it was generated unless the subsequent billing period lacks a corresponding time-of-use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time-of-use periods.

(3) Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer-generator is not entitled to receive compensation for any excess electricity that remains if:

(I) The net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities;

(II) The customer-generator ceases to be a customer of the utility at the premises served by the net metering system; or

(III) The customer-generator transfers the net metering system to another person.

(4) The value of the excess electricity ~~[which is fed back to the utility shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.~~

3. ~~If a customer generator's net metering system has a capacity of more than 30 kilowatts, the net energy measurement must be calculated in the following manner:~~

(a) The utility shall:

(1) Measure, in kilowatt hours, the amount of electricity supplied by the utility to the customer generator during the billing period and calculate its value using the tariff that would be applicable if the customer generator did not use a net metering system; and

(2) Measure, in kilowatt hours, the amount of electricity generated by the customer generator which is fed back to the utility during the billing period and calculate its value at a rate that is consistent with the rate used to calculate the value of the electricity supplied by the utility.

(b) If the value of electricity supplied by the utility exceeds the value of the electricity generated by the customer generator which is fed back to the utility during the billing period, the customer generator must be billed for the net value of the electricity supplied by the utility.

(c) If the value of the electricity generated by the customer generator which is fed back to the utility exceeds the value of the electricity supplied by the utility during the billing period:

(1) Neither the utility nor the customer generator is entitled to compensation for the value of the electricity provided to the other during the billing period.

(2) The value of the excess electricity:

(I) Must not be shown as a credit on the customer generator's bill for that billing period but must be reflected as a credit that is carried forward to offset the value of the electricity supplied by the utility during a subsequent billing period. At the discretion of the utility, the credit may be in a dollar amount or in kilowatt hours. If the credit is reflected as excess electricity and the customer generator is billed for electricity pursuant to a time of use rate

~~schedule, the excess electricity carried forward must be added to the same time of use period as the time of use period in which it was generated unless the subsequent billing period lacks a corresponding time of use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time of use periods. Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer generator is not entitled to receive compensation for any excess electricity that remains if the net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities, the customer generator ceases to be a customer of the utility at the premises served by the net metering system or the customer generator transfers the net metering system to another person.~~

~~(H) Does not reduce any other fee or charge imposed by the utility.~~

~~(3) The excess electricity which is fed back to the utility must not be used to reduce any other fee or charge imposed by the utility.~~

3. If the cost of purchasing and installing a net metering system was paid for:

(a) In whole or in part by a utility, the electricity generated by the net metering system shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.

(b) Entirely by a customer-generator, the Commission shall issue to the customer-generator portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the electricity generated by the net metering system.

4. A bill for electrical service is due at the time established pursuant to the terms of the contract between the utility and the customer-generator.

Sec. 4. NRS 704.860 is hereby amended to read as follows:

704.860 "Utility facility" means:

1. Electric generating plants and their associated facilities, except:

(a) Electric generating plants and their associated facilities that are or will be located entirely within the boundaries of a county whose population is 100,000 or more; or

(b) Electric generating plants and their associated facilities which use or will use renewable energy, as defined in NRS 704.7811, as their primary source of energy to generate electricity and which have or will have a generating capacity of not more than ~~150 kilowatts, 1 megawatt, 35 megawatts~~, including, without limitation, a net metering system, as defined in NRS 704.771.

➤ As used in this subsection, "associated facilities" includes, without limitation, any facilities for the storage, transmission or treatment of water, including, without limitation, facilities to supply water or for the treatment or disposal of wastewater, which support or service an electric generating plant.

2. Electric transmission lines and transmission substations that:

(a) Are designed to operate at 200 kilovolts or more;

(b) Are not required by local ordinance to be placed underground; and

(c) Are constructed outside any incorporated city.

3. Gas transmission lines, storage plants, compressor stations and their associated facilities when constructed outside:

(a) Any incorporated city; and

(b) Any county whose population is 100,000 or more.

4. Water storage, transmission and treatment facilities, other than facilities for the storage, transmission or treatment of water from mining operations.

5. Sewer transmission and treatment facilities.

Sec. 4.5. Chapter 444A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The board of county commissioners in a county whose population is 400,000 or more shall, in conjunction with each licensed hauler of garbage and refuse operating in the county, establish a pilot program for collecting and separating recyclable material that has the potential to be used as a source of renewable energy or converted into renewable fuel.

2. The pilot program must include, without limitation:

(a) An exploration of technologies and processes that are able to use recyclable material as a source of renewable energy or convert recyclable material into renewable fuel.

(b) *The creation and maintenance of adequate records to allow an assessment of the feasibility of establishing a statewide recycling standard.*

3. *The pilot program must not conflict with the standards relating to recyclable material adopted by the State Environmental Commission pursuant to NRS 444A.020.*

4. *As used in this section:*

(a) *"Licensed hauler of garbage and refuse" means a person who holds the licenses and permits required to operate a business of collecting and disposing of garbage and refuse. The term includes a person who is licensed to operate a business of collecting recyclable material.*

(b) *"Recyclable material" has the meaning ascribed to it in NRS 444A.013.*

Sec. 5. Sections 5 to 29, inclusive, of this act may be cited as the Wind Energy Systems Demonstration Program Act.

Sec. 6. As used in sections 5 to 29, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 7 to 21, inclusive, of this act have the meaning ascribed to them in those sections.

Sec. 7. "Agricultural property" means any real property employed for an agricultural use as defined in NRS 361A.030.

Sec. 8. "Applicant" means a person who is applying to participate in the Wind Demonstration Program.

Sec. 9. "Category" means one of the categories of participation in the Wind Demonstration Program as set forth in section 22 of this act.

Sec. 10. "Commission" means the Public Utilities Commission of Nevada.

Sec. 11. ~~"Committee" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350. (Deleted by amendment.)~~

Sec. 12. "Institution of higher education" means:

1. A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; or

2. A postsecondary educational institution, as defined in NRS 394.099, or any other institution of higher education.

Sec. 13. "Participant" means a person who has been selected by the ~~Committee~~ Task Force pursuant to section 26 of this act to participate in the Wind Demonstration Program.

Sec. 14. "Person" includes, without limitation, a governmental entity.

Sec. 15. "Program year" means the period of July 1 to June 30 of the following year.

Sec. 16. "Public property" means any real property, building or facilities owned, leased or occupied by:

1. A department, agency or instrumentality of the State or any of its political subdivisions which is used for the transaction of public or quasi-public business; or

2. A nonprofit organization that is recognized as exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), as amended, or a corporation for public benefit as defined in NRS 82.021.

Sec. 17. "School property" means any real property, building or facilities owned, leased or occupied by:

1. A public school as defined in NRS 385.007;

2. A private school as defined in NRS 394.103; or

3. An institution of higher education.

Sec. 18. "Small business" means a business conducted for profit which employs 500 or fewer full-time or part-time employees.

Sec. 18.5. "Task Force" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.

Sec. 19. "Utility" means a public utility that supplies electricity in this State.

Sec. 20. "Wind Demonstration Program" or "Program" means the Wind Energy Systems Demonstration Program created by section 22 of this act.

Sec. 21. "Wind energy system" means a facility or energy system for the generation of electricity that uses wind energy to generate electricity.

Sec. 22. 1. The Wind Energy Systems Demonstration Program is hereby created.

2. The Program must have four categories as follows:

(a) School property;

- (b) Other public property;
- (c) Private residential property and small business property; and
- (d) Agricultural property.

3. To be eligible to participate in the Program, a person must:

- (a) Meet the qualifications established by the Commission pursuant to section 23 of this act;
- (b) Submit an application to a utility and be selected by the ~~(Committee)~~ Task Force for inclusion in the Program pursuant to sections 25 and 26 of this act;

(c) When installing the wind energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

(d) If the person will be participating in the Program in the category of school property or other public property, provide for the public display of the wind energy system, including, without limitation, providing for public demonstrations of the wind energy system and for hands-on experience of the wind energy system by the public.

Sec. 23. The Commission shall adopt regulations necessary to carry out the provisions of the Wind Energy Systems Demonstration Program Act, including, without limitation, regulations that establish:

1. The qualifications and requirements an applicant must meet to be eligible to participate in the Program in each particular category of:

- (a) School property;
- (b) Other public property;
- (c) Private residential property and small business property; and
- (d) Agricultural property.

2. The type of incentives available to participants in the Program and the level or amount of those incentives.

3. The requirements for a utility's annual plan for carrying out and administering the Program. A utility's annual plan must include, without limitation:

- (a) A detailed plan for advertising the Program;
- (b) A detailed budget and schedule for carrying out and administering the Program;
- (c) A detailed account of administrative processes and forms that will be used to carry out and administer the Program, including, without limitation, a description of the application process and copies of all applications and any other forms that are necessary to apply for and participate in the Program;
- (d) A detailed account of the procedures that will be used for inspection and verification of a participant's wind energy system and compliance with the Program;
- (e) A detailed account of training and educational activities that will be used to carry out and administer the Program; and
- (f) Any other information required by the Commission.

Sec. 24. 1. Each utility shall carry out and administer the Wind Demonstration Program within its service area in accordance with its annual plan as approved by the Commission pursuant to section 25 of this act.

2. A utility may recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with carrying out and administering the Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 25. 1. On or before February 1, 2008, and on or before February 1 of each year thereafter, each utility shall file with the Commission its annual plan for carrying out and administering the Wind Demonstration Program within its service area for the following program year.

2. On or before July 1, 2008, and on or before July 1 of each year thereafter, the Commission shall:

- (a) Review the annual plan filed by each utility for compliance with the requirements established by regulation; and
- (b) Approve the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

3. On or before November 1, 2008, and on or before November 1 of each year thereafter, each utility shall submit to the ~~{Committee}~~ *Task Force* the utility's recommendations as to which applications received by the utility should be approved for participation in the Program. The ~~{Committee}~~ *Task Force* shall review the applications to ensure that each applicant meets the qualifications and requirements to be eligible to participate in the Program.

4. Except as otherwise provided in section 26 of this act, the ~~{Committee}~~ *Task Force* may approve, from among the applications recommended by each utility, wind energy systems totaling:

(a) For the program year beginning July 1, 2008:

- (1) 500 kilowatts of capacity for school property;
- (2) 500 kilowatts of capacity for other public property;
- (3) 700 kilowatts of capacity for private residential property and small business property;

and

(4) 700 kilowatts of capacity for agricultural property.

(b) For the program year beginning July 1, 2009:

- (1) An additional 250 kilowatts of capacity for school property;
- (2) An additional 250 kilowatts of capacity for other public property;
- (3) An additional 350 kilowatts of capacity for private residential property and small business property; and

(4) An additional 350 kilowatts of capacity for agricultural property.

(c) For the program year beginning July 1, 2010:

- (1) An additional 250 kilowatts of capacity for school property;
- (2) An additional 250 kilowatts of capacity for other public property;
- (3) An additional 350 kilowatts of capacity for private residential property and small business property; and

(4) An additional 350 kilowatts of capacity for agricultural property.

Sec. 26. 1. Based on the applications submitted by each utility for a program year, the ~~{Committee}~~ *Task Force* shall:

(a) Within the limits of the capacity allocated to each category, select applicants to be participants in the Wind Demonstration Program and place those applicants on a list of participants; and

(b) Select applicants to be placed on a prioritized waiting list to become participants in the Program if any capacity within a category becomes available.

2. Not later than 30 days after the date on which the ~~{Committee}~~ *Task Force* selects an applicant to be on the list of participants or the prioritized waiting list, the utility which submitted the application to the ~~{Committee}~~ *Task Force* on behalf of the applicant shall provide written notice of the selection to the applicant.

3. If the capacity allocated to any category for a program year is not fully subscribed by participants in that category, the ~~{Committee}~~ *Task Force* may, in any combination it deems appropriate:

(a) Allow a utility to submit additional applications from applicants who want to participate in that category; or

(b) Reallocate any of the unused capacity in that category to any of the other categories.

4. At any time after submitting an application to participate in the Program to a utility, an applicant may energize his wind energy system if the wind energy system meets all applicable building codes and all applicable requirements of the utility as approved by the Commission. An applicant who energizes his wind energy system under such circumstances remains eligible to participate in the Program, and the energizing of the wind energy system does not alter the applicant's status on the list of participants or the prioritized waiting list.

Sec. 27. 1. Except as otherwise provided in this section, if the ~~{Committee}~~ *Task Force* determines that a participant has not complied with the requirements for participation in the Wind Demonstration Program, the ~~{Committee}~~ *Task Force* shall, after notice and an opportunity for a hearing, withdraw the participant from the Program.

2. The ~~{Committee}~~ *Task Force* may, without notice or an opportunity for a hearing, withdraw from the Program:

(a) A participant in the category of private residential property and small business property or a participant in the category of agricultural property if the participant does not complete the installation of a wind energy system within 12 months after the date the participant receives written notice of his selection to participate in the Program.

(b) A participant in the category of school property or a participant in the category of other public property if the participant does not complete the installation of a wind energy system within 30 months after the date the participant receives written notice of his selection to participate in the Program.

3. A participant who is withdrawn from the Program pursuant to subsection 2 forfeits any incentives.

Sec. 28. 1. After a participant installs a wind energy system included in the Wind Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-hour production of the wind energy system.

2. All portfolio credits issued for a wind energy system installed pursuant to the Wind Demonstration Program must be assigned to and become the property of the utility administering the Program.

Sec. 29. If a wind energy system used by a participant in the Wind Demonstration Program meets the requirements of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 29.5. The Director of the Office of Energy shall adopt the regulations required by section 1 of this act on or before October 1, 2011.

Sec. 29.7. 1. The appointment of the additional members to the Task Force for Renewable Energy and Energy Conservation required by NRS 701.350, as amended by section 1.35 of this act, must be made as soon as practicable on or after passage and approval of this act, except that none of the additional members may begin serving a term sooner than July 1, 2007.

2. The initial terms of the additional members appointed pursuant to paragraphs ~~((i) and (j))~~ (c) and (d) of subsection 1 of NRS 701.350, as amended by section 1.35 of this act, expire on June 30, 2010.

3. The initial term of the additional member appointed pursuant to paragraph ~~((k))~~ (i) of subsection 1 of NRS 701.350, as amended by section 1.35 of this act, expires on June 30, 2009.

Sec. 30. 1. This section and sections 1.4 to 4, inclusive, of this act become effective upon passage and approval.

2. Sections 1.35 and 29.7 of this act become effective:

(a) Upon passage and approval for the purposes of appointing additional members to the Task Force for Renewable Energy and Energy Conservation; and

(b) On July 1, 2007, for all other purposes.

3. Sections 1, 1.3 ~~(1)~~ and 4.5 ~~(1, 5)~~ to ~~(29,)~~ 29.5, inclusive, ~~and 29.5~~ of this act become effective:

(a) Upon passage and approval for the purposes of adopting regulations and taking such other actions as are necessary to carry out the provisions of this act; and

(b) On October 1, 2007, for all other purposes.

4. Sections 5 to 29, inclusive, of this act expire by limitation on June 30, 2011 ~~(1)~~ except that if a substantially similar Wind Energy Systems Demonstration Program Act is enacted into law and becomes effective on or before October 1, 2007, sections 5 to 29, inclusive, of this act expire by limitation on the date on which the substantially similar Wind Energy Systems Demonstration Program Act becomes effective.

WARREN B. HARDY II

MAGGIE CARLTON

RANDOLPH J. TOWNSEND

Senate Conference Committee

MARCUS CONKLIN

DAVID BOBZIEN

HEIDI S. GANSERT

Assembly Conference Committee

Senator Townsend moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 178.

Remarks by Senator Townsend.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 244, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 952 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 30, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions governing the review of school districts based upon financial management principles. (BDR 34-283)"

"AN ACT relating to education; revising provisions governing the review of school districts based upon certain financial management principles; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides that to the extent money is made available by the Legislature, each school district in this State must undergo a review every 6 years to determine whether the school district is successfully carrying out certain financial management principles. (NRS 387.602-387.644) A school district may, under certain circumstances, be exempt from the 6-year review and undergo the review every 12 years. (NRS 387.631, 387.639) Upon completion of the review of a school district, the consultant who conducted the review must submit a preliminary report of the review to the superintendent of schools of the school district for the superintendent to prepare a written response. The preliminary report and the final report must be made available to the general public. (NRS 387.631) This bill revises provisions governing the preliminary report of the review and requires the consultant to submit the preliminary report to the superintendent of the school district or the superintendent's designee for preparation of a written response of the school district. This bill also ~~requires the consultant to submit a summary of the preliminary report to the Legislative Committee on Education for its review.~~ makes the preliminary report confidential until the final report has been submitted.

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

Section 1. NRS 387.631 is hereby amended to read as follows:

387.631 1. The consultant shall complete the review of a school district within 6 months after the date on which the review is commenced. The consultant shall prepare a final written report of the review that:

(a) Is documented by sufficient, competent and relevant evidence to provide a reasonable basis for the findings and conclusions of the consultant.

(b) If the consultant determines that the school district is not successfully carrying out the management principles in one or more of the areas set forth in subsection 2 of NRS 387.622, includes a plan for corrective action for the school district to carry out successfully the management principles in each area within 2 years. The plan must:

- (1) Be logically connected to and substantiated by the results of the review;
- (2) Be specific and detailed; and
- (3) Identify methods for the school district to reduce its costs and expenses.

(c) Includes the written response of the school district prepared pursuant to subsection 2.

2. The consultant shall furnish a copy of the preliminary report of the review to the superintendent of schools of the school district *or the superintendent's designee* and discuss the report with the ~~superintendent.~~ *superintendent or the superintendent's designee.* ~~The consultant shall submit a summary of the preliminary report to the Legislative Committee on Education for its review.~~ Within 30 days after receipt of the preliminary report, the superintendent ~~shall, in consultation with the board of trustees of the school district,~~ *or the superintendent's designee shall* prepare a written response to the preliminary report that includes a statement of explanation or rebuttal of any findings contained in the preliminary report. The consultant shall include the written response of the school district in his final written report submitted pursuant to subsection 1.

3. The final written report of the consultant must be submitted to the board of trustees of the school district, the State Board, the Legislative Auditor and the Director of the Legislative Counsel Bureau for transmission to the Legislature within 60 days after the review is complete.

4. If the consultant determines that a school district is successfully carrying out the management principles for each of the areas set forth in subsection 2 of NRS 387.622, the school district is exempt from its next 6-year review unless the Legislature subsequently determines that the conditions or circumstances occurring within the school district warrant another review pursuant to NRS 387.602 to 387.644, inclusive. If a school district is exempt pursuant to this subsection, the exemption is valid for only one review and the school district must undergo a review at least once every 12 years.

5. The preliminary report is confidential until the final report is submitted. After the final written report is submitted, the preliminary report and the final report must be made available to the general public.

Sec. 2. This act becomes effective on July 1, 2007.

STEVEN A. HORSFORD

BERNICE MATHEWS

WARREN B. HARDY II

Senate Conference Committee

DAVID BOBZIEN

DEBBIE SMITH

JOE HARDY

Assembly Conference Committee

Senator Horsford moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 244.

Remarks by Senator Horsford.

Motion carried by a constitutional majority.

Senator Raggio moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 3:39 p.m.

SENATE IN SESSION

At 3:55 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 628, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 4, 2007

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bill No. 434.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 73, Amendment No. 1159, Senate Bill No. 123, Amendment No. 1161, and respectfully requests your honorable body to concur in said amendments.

LUCINDA BENJAMIN

Assistant Chief Clerk of the Assembly

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 434.

Senator Nolan moved that the bill be referred to the Committee on Human Resources and Education.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 577.

Bill read third time.

Roll call on Senate Bill No. 577:

YEAS—21.

NAYS—None.

Senate Bill No. 577 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 628.

Bill read third time.

Remarks by Senators Raggio and Titus.

Senator Raggio moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 4:08 p.m.

SENATE IN SESSION

At 4:11 p.m.

President Krolicki presiding.

Quorum present.

Remarks by Senators Raggio and Coffin.

Senator Raggio requested Brenda J. Erdoes, Legislative Counsel, to speak on the bill.

Roll call on Assembly Bill No. 628:

YEAS—20.

NAYS—Schneider.

Assembly Bill No. 628 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 404, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 1082 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 36, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions governing homeschooled children. (BDR 34-738)"

"AN ACT relating to education; revising provisions governing homeschooled children; requiring the board of trustees of each school district to post certain information concerning examinations on its Internet website and ensure that homeschooled children have notice of the website; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Under existing law, compulsory attendance in public school is required of children between the ages of 7 and 17 years. (NRS 392.040) Compulsory attendance is excused if satisfactory written evidence is presented to the board of trustees of the school district in which the child resides that the child is receiving at home or in some other school equivalent instruction of the kind and amount approved by the State Board of Education. (NRS 392.070) Sections ~~(3 and 4)~~ 5 and 7 of this bill excuse compulsory attendance if a child is enrolled in a private school or if a notice of intent to homeschool the child is filed with the superintendent of schools of the school district in which the child resides. Sections ~~(1 and 5)~~ 2 and 7 of this bill authorize the board of trustees of a school district or the governing body of a charter school, as applicable, to require a birth certificate or other documentation to prove the identity of the homeschooled child who wishes to participate in certain activities and classes offered by the public schools in this State and requires such proof under certain circumstances.

Section ~~(4)~~ 5 of this bill sets forth requirements concerning a notice of intent to homeschool and establishes certain rights for a child that is being homeschooled and the parents of that child. Section 5.5 of this bill sets forth requirements concerning notice of intent of a homeschooled child to participate in programs and activities, which must be filed before a homeschooled child may participate in certain classes, activities and programs in a public school or through a school district, or through the Nevada Interscholastic Activities Association.

Under existing law, the State Board of Education is required to prescribe the courses of study required for promotion to high school. (NRS 392.033) Section ~~(4)~~ 6 of this bill prescribes the information that must be provided by a homeschooled child who wishes to enroll in a public high school to demonstrate competency in those courses of study or successful completion of those courses.

Section ~~(2.5)~~ 4 of this bill requires the board of trustees of each school district to maintain on its Internet website pertinent information concerning the examinations available to children in the school district. Section ~~(4)~~ 5 of this bill requires each school district to ensure that homeschooled children who reside in the school district have adequate notice of the availability of the website.

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

Section 1. NRS 386.430 is hereby amended to read as follows:

386.430 1. The Nevada Interscholastic Activities Association shall adopt rules and regulations in the manner provided for state agencies by chapter 233B of NRS, as may be necessary to carry out the provisions of NRS 386.420 to 386.470, inclusive. The regulations must include provisions governing the eligibility and participation of homeschooled children in interscholastic activities and events. In addition to the regulations governing eligibility, a homeschooled child who wishes to participate must have on file with the school district in which he resides a current notice of intent of a homeschooled child to participate in programs and activities pursuant to section 5.5 of this act.

2. If the Nevada Interscholastic Activities Association intends to adopt, repeal or amend a policy, rule or regulation concerning or affecting homeschooled children, the Association shall consult with the Northern Nevada Homeschool Advisory Council and the Southern Nevada Homeschool Advisory Council, or their successor organizations, to provide those Councils with a reasonable opportunity to submit data, opinions or arguments, orally or in writing, concerning the proposal or change. The Association shall consider all written and oral submissions respecting the proposal or change before taking final action.

Sec. 1.5. NRS 386.462 is hereby amended to read as follows:

386.462 1. A homeschooled child must be allowed to participate in interscholastic activities and events in accordance with the regulations adopted by the Nevada Interscholastic

Activities Association pursuant to NRS 386.430, ~~if~~ if a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to section 5.5 of this act.

2. The provisions of NRS 386.420 to 386.470, inclusive, and the regulations adopted pursuant thereto that apply to pupils enrolled in public schools who participate in interscholastic activities and events apply in the same manner to homeschooled children who participate in interscholastic activities and events, including, without limitation, provisions governing:

- (a) Eligibility and qualifications for participation;
- (b) Fees for participation;
- (c) Insurance;
- (d) Transportation;
- (e) Requirements of physical examination;
- (f) Responsibilities of participants;
- (g) Schedules of events;
- (h) Safety and welfare of participants;
- (i) Eligibility for awards, trophies and medals;
- (j) Conduct of behavior and performance of participants; and
- (k) Disciplinary procedures.

~~Section 1.1~~ Sec. 2. NRS 386.580 is hereby amended to read as follows:

386.580 1. An application for enrollment in a charter school may be submitted to the governing body of the charter school by the parent or legal guardian of any child who resides in this State. Except as otherwise provided in this subsection and subsection 2, a charter school shall enroll pupils who are eligible for enrollment in the order in which the applications are received. If the board of trustees of the school district in which the charter school is located has established zones of attendance pursuant to NRS 388.040, the charter school shall, if practicable, ensure that the racial composition of pupils enrolled in the charter school does not differ by more than 10 percent from the racial composition of pupils who attend public schools in the zone in which the charter school is located. If a charter school is sponsored by the board of trustees of a school district located in a county whose population is 100,000 or more, except for a program of distance education provided by the charter school, the charter school shall enroll pupils who are eligible for enrollment who reside in the school district in which the charter school is located before enrolling pupils who reside outside the school district. Except as otherwise provided in subsection 2, if more pupils who are eligible for enrollment apply for enrollment in the charter school than the number of spaces which are available, the charter school shall determine which applicants to enroll pursuant to this subsection on the basis of a lottery system.

2. Before a charter school enrolls pupils who are eligible for enrollment, a charter school that is dedicated to providing educational programs and opportunities to pupils who are at risk may enroll a child who:

- (a) Is a sibling of a pupil who is currently enrolled in the charter school; or
- (b) Resides within the school district and within 2 miles of the charter school if the charter school is located in an area that the sponsor of the charter school determines includes a high percentage of children who are at risk. If space is available after the charter school enrolls pupils pursuant to this paragraph, the charter school may enroll children who reside outside the school district but within 2 miles of the charter school if the charter school is located within an area that the sponsor determines includes a high percentage of children who are at risk.

➤ If more pupils described in this subsection who are eligible apply for enrollment than the number of spaces available, the charter school shall determine which applicants to enroll pursuant to this subsection on the basis of a lottery system.

3. Except as otherwise provided in subsection 7, a charter school shall not accept applications for enrollment in the charter school or otherwise discriminate based on the:

- (a) Race;
 - (b) Gender;
 - (c) Religion;
 - (d) Ethnicity; or
 - (e) Disability,
- of a pupil.

4. If the governing body of a charter school determines that the charter school is unable to provide an appropriate special education program and related services for a particular disability of a pupil who is enrolled in the charter school, the governing body may request that the board of trustees of the school district of the county in which the pupil resides transfer that pupil to an appropriate school.

5. Except as otherwise provided in this subsection, upon the request of a parent or legal guardian of a child who is enrolled in a public school of a school district or a private school, or a parent or legal guardian of a homeschooled child, the governing body of the charter school shall authorize the child to participate in a class that is not otherwise available to the child at his school or home school or participate in an extracurricular activity at the charter school if:

(a) Space for the child in the class or extracurricular activity is available; ~~and~~

(b) The parent or legal guardian demonstrates to the satisfaction of the governing body that the child is qualified to participate in the class or extracurricular activity; ~~and~~ *and*

(c) The child is a homeschooled child, a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to section 5.5 of this act.

➡ If the governing body of a charter school authorizes a child to participate in a class or extracurricular activity pursuant to this subsection, the governing body is not required to provide transportation for the child to attend the class or activity. A charter school shall not authorize such a child to participate in a class or activity through a program of distance education provided by the charter school pursuant to NRS 388.820 to 388.874, inclusive.

6. The governing body of a charter school may revoke its approval for a child to participate in a class or extracurricular activity at a charter school pursuant to subsection 5 if the governing body determines that the child has failed to comply with applicable statutes, or applicable rules and regulations. If the governing body so revokes its approval, neither the governing body nor the charter school is liable for any damages relating to the denial of services to the child.

7. *The governing body of a charter school may, before authorizing a homeschooled child to participate in a class or extracurricular activity pursuant to subsection 5, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.*

8. This section does not preclude the formation of a charter school that is dedicated to provide educational services exclusively to pupils:

(a) With disabilities;

(b) Who pose such severe disciplinary problems that they warrant a specific educational program, including, without limitation, a charter school specifically designed to serve a single gender that emphasizes personal responsibility and rehabilitation; or

(c) Who are at risk.

➡ If more eligible pupils apply for enrollment in such a charter school than the number of spaces which are available, the charter school shall determine which applicants to enroll pursuant to this subsection on the basis of a lottery system.

~~(Sec. 2.)~~ Sec. 3. NRS 388.850 is hereby amended to read as follows:

388.850 1. A pupil may enroll in a program of distance education only if the pupil satisfies the requirements of any other applicable statute and the pupil:

(a) Is participating in a program for pupils at risk of dropping out of high school pursuant to NRS 388.537;

(b) Is participating in a program of independent study pursuant to NRS 389.155;

(c) Is enrolled in a public school that does not offer certain advanced or specialized courses that the pupil desires to attend;

(d) Has a physical or mental condition that would otherwise require an excuse from compulsory attendance pursuant to NRS 392.050;

(e) Would otherwise be excused from compulsory attendance pursuant to NRS 392.080;

(f) Is otherwise prohibited from attending public school pursuant to NRS 392.264, 392.4642 to 392.4648, inclusive, 392.466, 392.467 or 392.4675;

(g) Is otherwise permitted to enroll in a program of distance education provided by the board of trustees of a school district if the board of trustees determines that the circumstances warrant enrollment for the pupil; or

(h) Is otherwise permitted to enroll in a program of distance education provided by the governing body of a charter school if the governing body of the charter school determines that the circumstances warrant enrollment for the pupil.

2. In addition to the eligibility for enrollment set forth in subsection 1, a pupil must satisfy the qualifications and conditions for enrollment in a program of distance education adopted by the State Board pursuant to NRS 388.874.

3. A child who is exempt from compulsory attendance and ~~receiving equivalent instruction authorized by the State Board pursuant to subsection 1 of NRS 392.070~~ is enrolled in a private school pursuant to chapter 394 of NRS or is being homeschooled is not eligible to enroll in or otherwise attend a program of distance education, regardless of whether he is otherwise eligible for enrollment pursuant to subsection 1.

4. If a pupil who is prohibited from attending public school pursuant to NRS 392.264 enrolls in a program of distance education, the enrollment and attendance of that pupil must comply with all requirements of NRS 62F.100 to 62F.140, inclusive, and 392.251 to 392.271, inclusive.

5. If a pupil is eligible for enrollment in a program of distance education pursuant to paragraph (c) of subsection 1, he may enroll in the program of distance education only to take those advanced or specialized courses that are not offered at the public school he otherwise attends.

~~[Sec. 2.5.]~~ Sec. 4. Chapter 389 of NRS is hereby amended by adding thereto a new section to read as follows:

The board of trustees of each school district shall maintain on its Internet website, and shall post in a timely manner, all pertinent information concerning the examinations available to children who reside in the school district, including, without limitation, the dates and times of, and contact information concerning, such examinations. The examinations posted must include, without limitation:

1. *The high school proficiency examination administered pursuant to NRS 389.015; and*
2. *All college entrance examinations offered in this State, including, without limitation, the Scholastic Aptitude Test, the American College Test, the Preliminary Scholastic Aptitude Test and the National Merit Scholarship Qualifying Test.*

Sec. 4.5. Chapter 392 of NRS is hereby amended by adding thereto the provisions set forth as sections 5 and 5.5 of this act.

~~[Sec. 3.]~~ Sec. 5. ~~[Chapter 392 of NRS is hereby amended by adding thereto a new section to read as follows:]~~

1. *If the parent of a child who is subject to compulsory attendance wishes to homeschool the child, the parent must file with the superintendent of schools of the school district in which the child resides a written notice of intent to homeschool the child. The Department shall develop a standard form for the notice of intent to homeschool. The form must not require any information or assurances that are not otherwise required by this section or other specific statute. The board of trustees of each school district shall, in a timely manner, make only the form developed by the Department available to parents who wish to homeschool their child.*

2. ~~The ~~initial~~ notice of intent to homeschool must be filed before beginning to homeschool the child or:~~

(a) *Not later than 10 days after the child has been formally withdrawn from enrollment in public school; or*

(b) *Not later than 30 days after establishing residency in this State.*

3. *The purpose of the notice of intent to homeschool is to inform the school district in which the child resides that the child is exempt from the requirement of compulsory attendance.*

4. ~~[A subsequent notice of intent to homeschool must be filed annually with the school district, beginning with the school year immediately following the school year in which the initial notice of intent to homeschool was filed.] If the name or address of the parent or child as indicated on a notice of intent to homeschool changes, the parent must, not later than 30 days~~

after the change, file a new notice of intent to homeschool with the superintendent of schools of the school district in which the child resides.

5. A notice of intent to homeschool must include only the following:

- (a) The full name, age and gender of the child;
- (b) The name and address of each parent filing the notice of intent to homeschool;
- (c) A statement signed and dated by each such parent declaring that the parent has control or charge of the child and the legal right to direct the education of the child, and assumes full responsibility for the education of the child while the child is being homeschooled;

(d) ~~[[If the notice is the initial notice of intent to homeschool, an] An educational plan for the child that is prepared pursuant to subsection 12;~~

(e) If applicable, the name of the public school in this State which the child most recently attended; and

(f) An optional statement that the parent may sign which provides:

I expressly prohibit the release of any information contained in this document, including, without limitation, directory information as defined in 20 U.S.C. § 1232g(a)(5)(A), without my prior written consent.

6. Each superintendent of schools of a school district shall accept notice of intent to homeschool that is filed with him pursuant to this section and meets the requirements of subsection 5, and shall not require or request any additional information or assurances from the parent who filed the notice.

7. The school district shall provide to a parent who files a notice a written acknowledgment which clearly indicates that the parent has provided notification required by law and that the child is being homeschooled. ~~for the duration of the school year.~~ The written acknowledgment shall be deemed proof of compliance with Nevada's compulsory school attendance law. ~~for a written acknowledgment that a child is being homeschooled is effective for 1 school year. The school district shall provide a written acknowledgment that a child is being homeschooled for every school year for the which the parent demonstrates compliance with this section.~~ The school district shall retain a copy of the written acknowledgment for not less than 15 years. The written acknowledgment may be retained in electronic format.

8. The superintendent of schools of a school district shall process a written request for a copy of the records of the school district, or any information contained therein, relating to a child who is being or has been homeschooled not later than 5 days after receiving the request. The superintendent of schools may only release such records or information:

- (a) To a person or entity specified by the parent of the child, or by the child if he is at least 18 years of age, upon suitable proof of identity of the parent or child; or
- (b) If required by specific statute.

9. If a child who is or was homeschooled seeks admittance or entrance to any school in this State, the school may use only commonly used practices in determining the academic ability, placement or eligibility of the child. A homeschooled child seeking admittance to public high school must comply with NRS 392.033.

10. A school or organization shall not discriminate in any manner against a child who is or was homeschooled.

11. Each school district shall allow homeschooled children to participate in the high school proficiency examination administered pursuant to NRS 389.015 and all college entrance examinations offered in this State, including, without limitation, the Scholastic Aptitude Test, the American College Test, the Preliminary Scholastic Aptitude Test and the National Merit Scholarship Qualifying Test. Each school district shall ensure that the homeschooled children who reside in the school district have adequate notice of the availability of information concerning such examinations on the Internet website of the school district maintained pursuant to section ~~12.5~~ 4 of this act.

12. The parent of a child who is being homeschooled shall prepare an educational plan of instruction for the child in the subject areas of English, including reading, composition and writing, mathematics, science and social studies, including history, geography, economics and government, as appropriate for the age and level of skill of the child as determined by the parent. The educational plan must be included in the ~~final~~ notice of intent to homeschool filed pursuant to this section. If the educational plan contains the requirements of this section,

the educational plan must not be used in any manner as a basis for denial of ~~for initially~~ a notice of intent to homeschool that is otherwise complete. The parent must be prepared to present the educational plan of instruction and proof of the identity of the child to a court of law if required by the court. This subsection does not require a parent to ensure that each subject area is taught each year that the child is homeschooled.

13. No regulation or policy of the State Board, any school district or any other governmental entity may infringe upon the right of a parent to educate his child based on religious preference unless it is:

- (a) Essential to further a compelling governmental interest; and
- (b) The least restrictive means of furthering that compelling governmental interest.

14. As used in this section, "parent" means the parent, custodial parent, legal guardian or other person in this State who has control or charge of a child and the legal right to direct the education of the child.

Sec. 5.5. 1. The Department shall develop a standard form for the notice of intent of a homeschooled child to participate in programs and activities. The board of trustees of each school district shall, in a timely manner, make only the form developed by the Department available to parents of homeschooled children.

2. The notice developed pursuant to subsection 1 must include the information required in the notice of intent to homeschool pursuant to section 5 of this act, excluding the educational plan for the homeschooled child.

3. If a homeschooled child wishes to participate in classes, activities, programs, sports or interscholastic activities and events at a public school or through a school district, or through the Nevada Interscholastic Activities Association, the parent of the child must file a current notice of intent to participate with the school district in which the child resides.

~~[Sec. 4.]~~ Sec. 6. NRS 392.033 is hereby amended to read as follows:

392.033 1. The State Board shall adopt regulations which prescribe the courses of study required for promotion to high school, which may include the credits to be earned.

2. The board of trustees of a school district shall not promote a pupil to high school if the pupil does not complete the course of study or credits required for promotion. The board of trustees of the school district in which the pupil is enrolled may provide programs to complete the courses of study required for promotion to high school.

3. The board of trustees of each school district shall adopt a procedure for evaluating the course of study or credits completed by a pupil who transfers to a junior high or middle school from a junior high or middle school in this State or from a school outside of this State.

4. A homeschooled child who enrolls in a public high school shall, upon initial enrollment:

(a) Provide documentation sufficient to prove that the child has successfully completed the courses of study required for promotion to high school through an accredited program of homeschool study recognized by the board of trustees of the school district;

(b) Demonstrate proficiency in the courses of study required for promotion to high school through an examination prescribed by the board of trustees of the school district; or

(c) Provide other proof satisfactory to the board of trustees of the school district demonstrating competency in the courses of study required for promotion to high school.

~~[Sec. 5.]~~ Sec. 7. NRS 392.070 is hereby amended to read as follows:

392.070 1. Attendance of a child required by the provisions of NRS 392.040 must be excused when ~~[satisfactory written evidence is presented to the board of trustees of the school district in which the child resides that the child is receiving at home or in some other school equivalent instruction of the kind and amount approved by the State Board.]~~ :

(a) The child is enrolled in a private school pursuant to chapter 394 of NRS; or

(b) A parent of the child chooses to provide education to the child and files a notice of intent to homeschool the child with the superintendent of schools of the school district in which the child resides in accordance with section ~~(2)~~ 5 of this act.

2. The board of trustees of each school district shall provide programs of special education and related services for homeschooled children. The programs of special education and related services required by this section must be made available:

(a) Only if a child would otherwise be eligible for participation in programs of special education and related services pursuant to NRS 388.440 to 388.520, inclusive;

(b) In the same manner that the board of trustees provides, as required by 20 U.S.C. § 1412, for the participation of pupils with disabilities who are enrolled in private schools within the school district voluntarily by their parents or legal guardians; and

(c) In accordance with the same requirements set forth in 20 U.S.C. § 1412 which relate to the participation of pupils with disabilities who are enrolled in private schools within the school district voluntarily by their parents or legal guardians.

3. Except as otherwise provided in subsection 2 for programs of special education and related services, upon the request of a parent or legal guardian of a child who is enrolled in a private school or a parent or legal guardian of a homeschooled child, the board of trustees of the school district in which the child resides shall authorize the child to participate in ~~in a class that is not available to the child at the private school or home school or to participate in an extracurricular activity,~~ any classes and extracurricular activities, excluding sports, at a public school within the school district if:

(a) Space for the child in the class or extracurricular activity is available; ~~and~~

(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the child is qualified to participate in the class or extracurricular activity. ~~and~~

(c) The child is a homeschooled child, a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district for the current school year pursuant to section 5.5 of this act.

➤ If the board of trustees of a school district authorizes a child to participate in a class or extracurricular activity, excluding sports, pursuant to this subsection, the board of trustees is not required to provide transportation for the child to attend the class or activity. A homeschooled child must be allowed to participate in interscholastic activities and events governed by ~~an association~~ the Nevada Interscholastic Activities Association pursuant to NRS 386.420 to 386.470, inclusive, and interscholastic activities and events, including sports, pursuant to subsection 5.

4. The board of trustees of a school district may revoke its approval for a pupil to participate in a class or extracurricular activity at a public school pursuant to subsection 3 if the board of trustees or the public school determines that the pupil has failed to comply with applicable statutes, or applicable rules and regulations of the board of trustees. If the board of trustees revokes its approval, neither the board of trustees nor the public school is liable for any damages relating to the denial of services to the pupil.

5. In addition to those interscholastic activities and events governed by ~~an association~~ the Nevada Interscholastic Activities Association pursuant to NRS 386.420 to 386.470, inclusive, a homeschooled ~~children~~ child must be allowed to participate in interscholastic activities and events, including sports ~~and~~ if a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district for the current school year pursuant to section 5.5 of this act. A homeschooled child who participates in interscholastic activities and events at a public school pursuant to this subsection must participate within the school district of the child's residence through the public school which the child is otherwise zoned to attend. Any rules or regulations that apply to pupils enrolled in public schools who participate in interscholastic activities and events, including sports, apply in the same manner to homeschooled children who participate in interscholastic activities and events, including, without limitation, provisions governing:

- (a) Eligibility and qualifications for participation;
- (b) Fees for participation;
- (c) Insurance;
- (d) Transportation;
- (e) Requirements of physical examination;
- (f) Responsibilities of participants;
- (g) Schedules of events;
- (h) Safety and welfare of participants;
- (i) Eligibility for awards, trophies and medals;
- (j) Conduct of behavior and performance of participants; and
- (k) Disciplinary procedures.

6. If a homeschooled child participates in interscholastic activities and events pursuant to subsection 5:

(a) No challenge may be brought by ~~an association,~~ *the Association*, a school district, a public school or a private school, a parent or guardian of a pupil enrolled in a public school or a private school, a pupil enrolled in a public school or a private school, or any other entity or person claiming that an interscholastic activity or event is invalid because the homeschooled child is allowed to participate.

(b) Neither the school district nor a public school may prescribe any regulations, rules, policies, procedures or requirements governing the eligibility or participation of the homeschooled child that are more restrictive than the provisions governing the eligibility and participation of pupils enrolled in public schools.

7. The programs of special education and related services required by subsection 2 may be offered at a public school or another location that is appropriate.

8. *The board of trustees of a school district:*

(a) *May, before providing programs of special education and related services to a homeschooled child pursuant to subsection 2, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.*

(b) *May, before authorizing a homeschooled child to participate in a class or extracurricular activity, excluding sports, pursuant to subsection 3, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.*

(c) *Shall, before allowing a homeschooled child to participate in interscholastic activities and events governed by the Nevada Interscholastic Activities Association pursuant to NRS 386.420 to 386.470, inclusive, and interscholastic activities and events pursuant to subsection 5, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.*

9. The Department ~~may~~ shall adopt such regulations as are necessary for the boards of trustees of school districts to provide the programs of special education and related services required by subsection 2.

~~10.~~ 10. As used in this section, "related services" has the meaning ascribed to it in 20 U.S.C. § ~~1401(22)~~ 1401.

~~Sec. 6.~~ Sec. 8. NRS 392.466 is hereby amended to read as follows:

392.466 1. Except as otherwise provided in this section, any pupil who commits a battery which results in the bodily injury of an employee of the school or who sells or distributes any controlled substance while on the premises of any public school, at an activity sponsored by a public school or on any school bus must, for the first occurrence, be suspended or expelled from that school, although he may be placed in another kind of school, for at least a period equal to one semester for that school. For a second occurrence, the pupil must be permanently expelled from that school and:

(a) ~~[Receive equivalent instruction authorized by the State Board pursuant to subsection 1 of NRS 392.070;]~~ *Enroll in a private school pursuant to chapter 394 of NRS or be homeschooled;* or

(b) *Enroll in a program of independent study provided pursuant to paragraph (b) of subsection 3 of NRS 389.155 or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if he qualifies for enrollment and is accepted for enrollment in accordance with the applicable requirements.*

2. Except as otherwise provided in this section, any pupil who is found in possession of a firearm or a dangerous weapon while on the premises of any public school, at an activity sponsored by a public school or on any school bus must, for the first occurrence, be expelled from the school for a period of not less than 1 year, although he may be placed in another kind of school for a period not to exceed the period of the expulsion. For a second occurrence, the pupil must be permanently expelled from the school and:

(a) ~~[Receive equivalent instruction authorized by the State Board pursuant to subsection 1 of NRS 392.070;]~~ *Enroll in a private school pursuant to chapter 394 of NRS or be homeschooled;* or

(b) Enroll in a program of independent study provided pursuant to paragraph (b) of subsection 3 of NRS 389.155 or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if he qualifies for enrollment and is accepted for enrollment in accordance with the applicable requirements.

✦ The superintendent of schools of a school district may, for good cause shown in a particular case in that school district, allow a modification to the expulsion requirement of this subsection if such modification is set forth in writing.

3. Except as otherwise provided in this section, if a pupil is deemed a habitual disciplinary problem pursuant to NRS 392.4655, the pupil must be suspended or expelled from the school for a period equal to at least one semester for that school. For the period of his suspension or expulsion, the pupil must:

(a) ~~[Receive equivalent instruction authorized by the State Board pursuant to subsection 1 of NRS 392.070.]~~ Enroll in a private school pursuant to chapter 394 of NRS or be homeschooled; or

(b) Enroll in a program of independent study provided pursuant to paragraph (b) of subsection 3 of NRS 389.155 or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if he qualifies for enrollment and is accepted for enrollment in accordance with the applicable requirements.

4. This section does not prohibit a pupil from having in his possession a knife or firearm with the approval of the principal of the school. A principal may grant such approval only in accordance with the policies or regulations adopted by the board of trustees of the school district.

5. Any pupil in grades 1 to 6, inclusive, except a pupil who has been found to have possessed a firearm in violation of subsection 2, may be suspended from school or permanently expelled from school pursuant to this section only after the board of trustees of the school district has reviewed the circumstances and approved this action in accordance with the procedural policy adopted by the board for such issues.

6. A pupil who is participating in a program of special education pursuant to NRS 388.520, other than a pupil who is gifted and talented, may, in accordance with the procedural policy adopted by the board of trustees of the school district for such matters, be:

(a) Suspended from school pursuant to this section for not more than 10 days. Such a suspension may be imposed pursuant to this paragraph for each occurrence of conduct proscribed by subsection 1.

(b) Suspended from school for more than 10 days or permanently expelled from school pursuant to this section only after the board of trustees of the school district has reviewed the circumstances and determined that the action is in compliance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq.

7. As used in this section:

(a) "Battery" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 200.481.

(b) "Dangerous weapon" includes, without limitation, a blackjack, slungshot, billy, sand-club, sandbag, metal knuckles, dirk or dagger, a nunchaku, switchblade knife or trefoil, as defined in NRS 202.350, a butterfly knife or any other knife described in NRS 202.350, or any other object which is used, or threatened to be used, in such a manner and under such circumstances as to pose a threat of, or cause, bodily injury to a person.

(c) "Firearm" includes, without limitation, any pistol, revolver, shotgun, explosive substance or device, and any other item included within the definition of a "firearm" in 18 U.S.C. § 921, as that section existed on July 1, 1995.

8. The provisions of this section do not prohibit a pupil who is suspended or expelled from enrolling in a charter school that is designed exclusively for the enrollment of pupils with disciplinary problems if he is accepted for enrollment by the charter school pursuant to NRS 386.580. Upon request, the governing body of a charter school must be provided with access to the records of the pupil relating to his suspension or expulsion in accordance with applicable federal and state law before the governing body makes a decision concerning the enrollment of the pupil.

~~[Sec. 7.]~~ Sec. 9. The regulations adopted by the State Board of Education which are codified as NAC 392.011 to 392.065, inclusive, are hereby declared void. In preparing the

supplements to the Nevada Administrative Code on or after July 1, 2007, the Legislative Counsel shall remove those regulations.

~~[Sec. 8.]~~ *Sec. 10.* This act becomes effective on July 1, 2007.

MAURICE E. WASHINGTON

MOISES DENIS

BERNICE MATHEWS

BONNIE PARNELL

DENNIS NOLAN

JOE HARDY

Senate Conference Committee

Assembly Conference Committee

Senator Washington moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 404.

Remarks by Senator Washington.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 246, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 1120 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 39, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes concerning district judges. (BDR 1-654)"

"AN ACT relating to courts; ~~creating a Tenth Judicial District;~~ increasing the number of district judges in the Second and Eighth Judicial Districts; increasing the number of district judges in the Second and Eighth Judicial Districts who must be judges of the family court; making an appropriation; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

~~[Section 1 of this bill creates a Tenth Judicial District for the Counties of Churchill and Mineral consisting of two district judges. Churchill County is removed from the Third Judicial District in section 1.3 and the number of judges in that district is reduced from three to two.]~~

Section 1.5 of this bill increases the number of district judges in the Second Judicial District, which includes Washoe County, from 12 to 14. (NRS 3.010, 3.012) Both of the additional district judges must be judges of the family court, increasing the number of judges of the family court in the Second Judicial District from 4 to 6. (NRS 3.012)

Section 2 of this bill increases the number of district judges in the Eighth Judicial District, which includes Clark County, from 37 to 43. (NRS 3.010, 3.018) Five of the 6 additional district judges must be judges of the family court, increasing the number of judges of the family court in the Eighth Judicial District from 13 to 18. (NRS 3.018)

Sections 4 and 4.5 of this bill make an appropriation to pay for the salaries of the additional district judges.

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

Section 1. ~~[Chapter 3 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~For the Tenth Judicial District there must be two district judges.] (Deleted by amendment.)~~

Sec. 1.3. ~~[NRS 3.010 is hereby amended to read as follows:~~

~~3.010 The State is hereby divided into [nine] 10 judicial districts, as follows:~~

~~First Judicial District. Carson City and the County of Storey constitute the First Judicial District.~~

~~Second Judicial District. The County of Washoe constitutes the Second Judicial District.~~

~~Third Judicial District. The [Counties of Churchill and] County of Lyon [constitute] constitutes the Third Judicial District.~~

~~Fourth Judicial District. The County of Elko constitutes the Fourth Judicial District.~~

~~Fifth Judicial District. The Counties of [Mineral,] Esmeralda and Nye constitute the Fifth Judicial District.~~

~~Sixth Judicial District. The Counties of Lander, Pershing and Humboldt constitute the Sixth Judicial District.~~

~~Seventh Judicial District. The Counties of Eureka, White Pine and Lincoln constitute the Seventh Judicial District.~~

~~Eighth Judicial District. The County of Clark constitutes the Eighth Judicial District.~~

~~Ninth Judicial District. The County of Douglas constitutes the Ninth Judicial District.~~

~~Tenth Judicial District. The Counties of Churchill and Mineral constitute the Tenth Judicial District. (Deleted by amendment.)~~

Sec. 1.5. NRS 3.012 is hereby amended to read as follows:

3.012 For the Second Judicial District there must be ~~{12}~~ 14 district judges, ~~{4}~~ 6 of whom must be judges of the family court.

Sec. 1.7. NRS 3.013 is hereby amended to read as follows:

3.013 For the Third Judicial District there must be ~~{three}~~ two district judges.

Sec. 2. NRS 3.018 is hereby amended to read as follows:

3.018 For the Eighth Judicial District there must be ~~{37}~~ 43 district judges, ~~{13}~~ 18 of whom must be judges of the family court.

Sec. 3. The additional district judges required for the Second Judicial District pursuant to section 1.5 of this act ~~{1}~~ and the additional district judges required for the Eighth Judicial District pursuant to section 2 of this act ~~{and the additional district judge required for the Tenth Judicial District pursuant to section 1 of this act}~~ must be selected at the general election held on November 4, 2008, and take office on January 5, 2009. The terms of these judges expire on January 5, 2015.

Sec. 4. 1. There is hereby appropriated from the State General Fund to the District Judges' Salary Account the sum of ~~{959,616}~~ \$852,992 for the salaries of the additional district judges required pursuant to sections ~~{1}~~ 1.5 and 2 of this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, and reverts to the State General Fund as soon as all payments of money committed have been made.

Sec. 4.5. 1. There is hereby appropriated from the State General Fund to the District Judges' Salary Account the sum of ~~{787,779}~~ \$700,248 for the salaries of the additional district judges required pursuant to sections ~~{1}~~ 1.5 and 2 of this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, and reverts to the State General Fund as soon as all payments of money committed have been made.

Sec. 5. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 6. 1. This section and sections 3 and 5 of this act become effective on October 1, 2007.

2. Section 4 of this act becomes effective on July 1, 2008, if Senate Bill No. 248 of this Session is enacted by the Legislature and approved by the Governor.

3. Section 4.5 of this act becomes effective on July 1, 2008, only if section 4 of this act does not become effective.

4. Sections 1 to 2, inclusive, of this act become effective on January 5, 2009.

DEAN A. RHOADS

BOB COFFIN

BARBARA K. CEGAVSKE

Senate Conference Committee

BERNIE ANDERSON

WILLIAM HORNE

JOHN C. CARPENTER

Assembly Conference Committee

Senator Rhoads moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 246.

Remarks by Senator Rhoads.

Motion carried by a constitutional majority.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Amodei moved that Assembly Bill No. 115 be taken from the Secretary's desk and placed on the General File on the last agenda.

Remarks by Senator Amodei.

Motion carried.

Senator Raggio moved that the Senate recess until 6:30 p.m.

Motion carried.

Senate in recess at 4:20 p.m.

SENATE IN SESSION

At 8:20 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Commerce and Labor, to which was referred Assembly Bill No. 89, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and rerefer to the Committee on Finance.

RANDOLPH J. TOWNSEND, *Chair*

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 544, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM J. RAGGIO, *Chair*

Mr. President:

Your Committee on Human Resources and Education, to which was referred Assembly Bill No. 434, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Human Resources and Education, to which was rereferred Senate Bill No. 540, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MAURICE E. WASHINGTON, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 4, 2007

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 226, 238, 248, 301, 387, 454, 562, 577, 578.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 437, Amendments Nos. 1146, 1147; Senate Bill No. 443, Amendment No. 1163, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted Senate Concurrent Resolution No. 49.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 1153 to Assembly Bill No. 196.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Conference Committee concerning Senate Bills Nos. 328, 354, 404, 529; Assembly Bills Nos. 246, 396.

LUCINDA BENJAMIN

Assistant Chief Clerk of the Assembly

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee on Finance:

Senate Bill No. 579—AN ACT relating to financial administration; making various appropriations; and providing other matters properly relating thereto.

Senator Raggio moved that the bill be referred to the Committee on Finance.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Amodei moved that Assembly Bill No. 625 be taken from the Secretary's desk and placed on the General File on the fifth agenda.

Remarks by Senator Amodei.

Motion carried.

Senator Hardy moved that Assembly Bill No. 396 be taken from Unfinished Business and placed on Unfinished Business on the sixth agenda.

Remarks by Senator Hardy.

Motion carried.

Senator Washington moved that Assembly Bill No. 434 be taken from the Second Reading File and placed on the Second Reading File on the sixth agenda.

Remarks by Senator Washington.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 89.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 1170.

"SUMMARY—Revises provisions regarding industrial injuries and occupational diseases. ~~to include as police officers certain employees of the Department of Public Safety and the State Department of Conservation and Natural Resources.~~ (BDR 53-849)"

"AN ACT relating to public employees; including certain employees of the Department of Public Safety and certain park rangers and employees of the Division of State Parks of the State Department of Conservation and Natural Resources in the definition of "police officer" for various purposes relating to industrial injuries, occupational diseases and programs for public employees; revising certain provisions concerning heart disease as an occupational disease of volunteer firefighters; making an appropriation; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides for certain police officers suffering from certain occupational diseases to receive disability benefits. (NRS 617.135, 617.455,

617.457, 617.485, 617.487) Existing law defines "police officer" for the purpose of providing those disability benefits to include various law enforcement officers in this State. (NRS 617.135) Existing law also grants the powers of peace officers to certain park rangers and employees of the Division of State Parks of the State Department of Conservation and Natural Resources. (NRS 289.260) Section 1 of this bill expands the definition of police officer to make certain employees of the Department of Public Safety and certain park rangers and division employees of the State Department of Conservation and Natural Resources eligible for the disability benefits provided to police officers. Section 2 of this bill makes an appropriation to the Division for physical examinations for those park rangers and division employees.

Existing law provides that, under certain circumstances, heart disease of a volunteer firefighter constitutes an occupational disease for purposes of chapter 617 of NRS. (NRS 617.457) Section 1.5 of this bill removes the requirement that the heart disease must have occurred before the volunteer firefighter reached 55 years of age. Section 1.5 also revises the frequency with which the volunteer firefighter must submit to a physical examination to detect such heart disease. Further, section 1.5 requires an applicant for employment as a volunteer firefighter to pay the cost of his initial physical examination and requires his employer to reimburse that cost if he is employed as a volunteer firefighter.

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

Section 1. NRS 617.135 is hereby amended to read as follows:

617.135 "Police officer" includes:

1. A sheriff, deputy sheriff, officer of a metropolitan police department or city policeman;
2. A chief, inspector, supervisor, commercial officer or trooper of the Nevada Highway Patrol Division of the Department of Public Safety;
3. A chief, investigator or agent of the Investigation Division of the Department of Public Safety;
4. *A chief, supervisor, investigator or training officer of the Training Division of the Department of Public Safety;*
5. *A chief or investigator of an office of the Department of Public Safety that conducts internal investigations of employees of the Department of Public Safety or investigates other issues relating to the professional responsibility of those employees;*
6. *A chief or investigator of the Department of Public Safety whose duties include, without limitation:*
 - (a) The execution, administration or enforcement of the provisions of chapter 179A of NRS; and*
 - (b) The provision of technology support services to the Director and the divisions of the Department of Public Safety;*

7. An officer or investigator of the Section for the Control of Emissions From Vehicles and the Enforcement of Matters Related to the Use of Special Fuel of the Department of Motor Vehicles;

~~{5-}~~ 8. An investigator of the Division of Compliance Enforcement of the Department of Motor Vehicles;

~~{6-}~~ 9. A member of the police department of the Nevada System of Higher Education;

~~{7-}~~ 10. A:

(a) Uniformed employee of; or

(b) Forensic specialist employed by,

→ the Department of Corrections whose position requires regular and frequent contact with the offenders imprisoned and subjects the employee to recall in emergencies;

~~{8-}~~ 11. A parole and probation officer of the Division of Parole and Probation of the Department of Public Safety;

~~{9-}~~ 12. A forensic specialist or correctional officer employed by the Division of Mental Health and Developmental Services of the Department of Health and Human Services at facilities for mentally disordered offenders;

~~{10-}~~ 13. The State Fire Marshal, his assistant and his deputies; ~~and~~

~~{11-}~~ 14. A game warden of the Department of Wildlife who has the powers of a peace officer pursuant to NRS 289.280 ~~{-}~~; and

15. *A ranger or employee of the Division of State Parks of the State Department of Conservation and Natural Resources who has the powers of a peace officer pursuant to NRS 289.260.*

Sec. 1.5. NRS 617.457 is hereby amended to read as follows:

617.457 1. Notwithstanding any other provision of this chapter, diseases of the heart of a person who, for 5 years or more, has been employed in a full-time continuous, uninterrupted and salaried occupation as a firefighter or police officer in this State before the date of disablement are conclusively presumed to have arisen out of and in the course of the employment.

2. Notwithstanding any other provision of this chapter, diseases of the heart, resulting in either temporary or permanent disability or death, are occupational diseases and compensable as such under the provisions of this chapter if caused by extreme overexertion in times of stress or danger and a causal relationship can be shown by competent evidence that the disability or death arose out of and was caused by the performance of duties as a volunteer firefighter by a person entitled to the benefits of chapters 616A to 616D, inclusive, of NRS pursuant to the provisions of NRS 616A.145 and who, for 5 years or more, has served continuously as a volunteer firefighter in this State. ~~{and who has not reached the age of 55 years before the onset of the disease.}~~

3. Except as otherwise provided in subsection 4, each employee who is to be covered for diseases of the heart pursuant to the provisions of this section shall submit to a physical examination, including an examination of

the heart, upon employment, upon commencement of coverage and thereafter on an annual basis during his employment.

4. A physical examination ~~[is not required]~~ for a volunteer firefighter ~~[more than]~~ is required upon initial employment and once every 3 years after ~~[an]~~ the initial examination [] until the volunteer firefighter reaches the age of 50 years. Each volunteer firefighter who is 50 years of age or older shall submit to a physical examination once each year. The employer of the volunteer firefighter is responsible for scheduling the physical examination.

5. An applicant for the position as a volunteer firefighter who is 50 years of age or older shall pay the cost of his initial physical examination described in subsections 3 and 4. If the applicant is accepted for employment as a volunteer firefighter, the employer of the volunteer firefighter shall reimburse him the cost of the initial physical examination.

6. ~~[All]~~ Except as otherwise provided in subsection 5, all physical examinations required pursuant to ~~[subsection]~~ subsections 3 and 4 must be paid for by the employer.

~~[6.]~~ 7. Failure to correct predisposing conditions which lead to heart disease when so ordered in writing by the examining physician subsequent to the annual examination excludes the employee from the benefits of this section if the correction is within the ability of the employee.

~~[7.]~~ 8. A person who is determined to be:

(a) Partially disabled from an occupational disease pursuant to the provisions of this section; and

(b) Incapable of performing, with or without remuneration, work as a firefighter or police officer,

↪ may elect to receive the benefits provided under NRS 616C.440 for a permanent total disability.

~~[8.]~~ 9. Claims filed under this section may be reopened at any time during the life of the claimant for further examination and treatment of the claimant upon certification by a physician of a change of circumstances related to the occupational disease which would warrant an increase or rearrangement of compensation.

Sec. 2. 1. There is hereby appropriated from the State General Fund to the Division of State Parks of the State Department of Conservation and Natural Resources, for the physical examinations required pursuant to NRS 617.454, 617.455, 617.457, 617.485 and 617.487 for rangers or employees of the Division who are police officers pursuant to NRS 617.135 as amended by section 1 of this act:

For the Fiscal Year 2007-2008\$31,391.05

For the Fiscal Year 2008-2009\$13,109.20

2. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after

September 19, 2008, and September 18, 2009, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2008, and September 18, 2009, respectively.

Sec. 3. 1. A person who, on July 1, 2007, is employed as a ranger or employee of the Division of State Parks of the State Department of Conservation and Natural Resources who has the powers of a peace officer pursuant to NRS 289.260 shall submit to a physical examination pursuant to NRS 617.454, 617.455 and 617.457 and a blood test to screen for hepatitis C pursuant to NRS 617.487 on or after July 1, 2007, but on or before September 30, 2007. Each physical examination and blood test must be paid for by the Department.

2. Notwithstanding the provisions of NRS 617.455, 617.457 and 617.487, if a person fails to submit to a physical examination or blood test required pursuant to subsection 1, the conclusive presumption relating to diseases of the lungs created by NRS 617.455, diseases of the heart created by NRS 617.457 and infections of hepatitis C pursuant to NRS 617.487 shall be deemed, with regard to that person and for the purposes of those sections, to create a rebuttable presumption that the disease of the lungs or heart or infection of hepatitis C arose out of and in the course of the employment of the person as a ranger or employee specified in subsection 1.

Sec. 4. This act becomes effective on July 1, 2007.

Senator Beers moved the adoption of the amendment.

Remarks by Senator Beers.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 544.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1172.

"SUMMARY—Makes ~~an appropriation~~ appropriations to the Department of Transportation for highway improvements. (BDR S-1225)"

"AN ACT making ~~an appropriation~~ appropriations to the Department of Transportation for highway improvements; and providing other matters properly relating thereto."

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

Section 1. There is hereby appropriated from the State General Fund to the Department of Transportation for improvements, funded by State General Fund revenues in excess of the spending cap, to:

1. Interstate Highway 15 in Las Vegas, the sum of \$154,000,000.
2. State Route 160, Blue Diamond, ~~from the junction with State Route 159 to Mountain Springs,~~ the sum of \$16,000,000 ~~[-], except that no portion~~

of this sum for improvements to State Route 160 may be utilized by the Department unless the State Controller, upon satisfactory proof submitted by the Department, determines that \$2,000,000, in money or in goods and services provided in kind, or both, has been committed for such improvements from sources other than federal, state, regional or local governmental entities.

Sec. 2. Any remaining balance of the appropriations made by section 1 of this act must not be committed for expenditure after June 30, 2011, by the entity to which the appropriations are made or any entity to which money from an appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 16, 2011, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 16, 2011.

Sec. 3. In addition to the appropriations made by section 1 of this act, there is hereby appropriated from the State Highway Fund to the Department of Transportation for improvements to Interstate Highway 15 in Las Vegas:

For the Fiscal Year 2007-2008.....\$8,000,000

For the Fiscal Year 2008-2009.....\$8,000,000

Sec. 4. Any remaining balance of the appropriations made by section 3 of this act must not be committed for expenditure after June 30, 2011, by the entity to which the appropriations are made or any entity to which money from an appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 16, 2011, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State Highway Fund on or before September 16, 2011.

~~[Sec. 3.]~~ Sec. 5. 1. This section and sections 1 and 2 of this act become effective upon passage and approval.

2. Sections 3 and 4 of this act become effective on July 1, 2007.

Senator Beers moved the adoption of the amendment.

Remarks by Senator Beers.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Heck moved that Assembly Bill No. 89 be rereferred to the Committee on Finance.

Remarks by Senator Heck.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 540.

Bill read third time.

The following amendment was proposed by the Committee on Human Resources and Education:

Amendment No. 1158.

"SUMMARY—Revises provisions governing the system of public education in this State. (BDR 34-113)"

"AN ACT relating to education; revising the duties and powers of the Superintendent of Public Instruction; revising provisions relating to the appointment of the Superintendent of Public Instruction; ~~making the Commission on Educational Excellence an advisory body;~~ making the Commission on Educational Technology an advisory body; making the Council to Establish Academic Standards for Public Schools an advisory body; revising provisions relating to the regional training programs for the professional development of teachers and administrators; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law establishes the Department of Education, which consists of the State Board of Education, the State Board for Career and Technical Education and the Superintendent of Public Instruction. (NRS 385.010) ~~[Section 1 of this bill adds the Governor or his designee as a member of the State Board of Education and prescribes certain authority of the Governor as a member of the State Board.]~~

Section 6 of this bill provides for the appointment of the Superintendent of Public Instruction by the Governor instead of the State Board of Education. (NRS 385.150)

~~[Existing law creates the Commission on Educational Excellence to establish programs of educational excellence and award grants of money to certain public schools and school districts. (NRS 385.3781-385.379) Sections 10-13 of this bill make the Commission an advisory body. The Advisory Commission on Educational Excellence makes recommendations for allocations to the Legislative Committee on Education, with final approval by the Interim Finance Committee.]~~

Existing law creates the Commission on Educational Technology to establish a plan for the use of educational technology in the public schools of this State. (NRS 388.780-388.805) Sections 16-20 of this bill make the Commission an advisory body to the Superintendent of Public Instruction and require the Superintendent and the Department to carry out the duties formerly assigned to the Commission.

Under existing law the Council to Establish Academic Standards for Public Schools establishes the academic standards that will be taught in the public schools in this State. (NRS 389.500-389.570) Sections 21-26 of this bill make the Council an advisory body to the Superintendent of Public Instruction, who will be responsible for carrying out the duties formerly assigned to the Council.

Existing law creates four regional training programs for the professional development of teachers and administrators with specified geographical

boundaries and requires certain school districts to serve as the fiscal agents of each of the regional training programs. (NRS 391.500-391.556) Sections 29-32 of this bill eliminate the specified geographical boundaries and require the Superintendent of Public Instruction to prescribe the geographical boundaries of the four regional training programs. The Superintendent is also required to select the school district to serve as fiscal agent for each regional training program.

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

Section 1. ~~NRS 385.021 is hereby amended to read as follows:~~

~~385.021 1. The State Board consists of [10] 11 members as follows:~~

~~(a) The Governor or his designee; and~~

~~(b) Ten members elected by the registered voters within the districts described in NRS 385.0225 to 385.0265, inclusive.~~

~~2. Each elected member of the State Board must be a resident of the district from which that member is elected.~~

~~3. At the general election in 2002, and every 4 years thereafter, one member of the State Board must be elected for a term of 4 years from Districts Numbers 2, 5, 6 and 10.~~

~~4. At the general election in 2004, and every 4 years thereafter, one member of the State Board must be elected for a term of 4 years from Districts Numbers 1, 3, 4, 7, 8 and 9.~~

~~5. If a vacancy occurs on the State Board, the Governor shall appoint a member to fill the vacancy until the next general election, at which election a member must be chosen for the balance of the unexpired term. The appointee must be a resident of the district where the vacancy occurs.~~

~~6. No member of the State Board may be elected to the office more than three times.] (Deleted by amendment.)~~

Sec. 2. NRS 385.030 is hereby amended to read as follows:

385.030 1. At ~~[its]~~ the first meeting of the State Board after each election and qualification of newly elected members, the ~~[State Board of Education shall organize by electing]~~ Governor shall select one of ~~[its]~~ the members of the State Board as President, to serve at the pleasure of the ~~[Board.]~~ Governor.

2. The Superintendent of Public Instruction is the Secretary of the State Board and shall serve without additional salary.

Sec. 3. NRS 385.040 is hereby amended to read as follows:

385.040 1. The State Board ~~[of Education]~~ may hold at least four regular meetings annually at the state capital. The Secretary shall call all regular meetings.

2. The Board may hold special meetings at such other times and places as the Board may direct. The Secretary shall call special meetings upon the written request of the Governor, the President or any three members of the Board.

3. *The Governor may direct that an item be included on the agenda of a meeting of the State Board for consideration.*

4. A majority of the Board constitutes a quorum for the transaction of business, and no action of the Board is valid unless that action receives, at a legally called meeting, the approval of a majority of all board members.

Sec. 4. ~~[NRS 385.080 is hereby amended to read as follows:~~

~~385.080 [The]~~

~~1. Except as otherwise provided in this section, the State Board may adopt regulations for its own government and as necessary for the execution of the powers and duties conferred upon it by law.~~

~~2. The Governor may disapprove any action taken or regulation adopted by the State Board.~~

~~3. An action or regulation shall be deemed approved if the Governor does not disapprove the regulation within 30 days after it is adopted by the State Board. (Deleted by amendment.)~~

Sec. 5. NRS 385.110 is hereby amended to read as follows:

385.110 1. Except as otherwise provided in subsections 2 and 3, the State Board shall prescribe and cause to be enforced the courses of study for the public schools of this State. The courses of study prescribed and enforced by the State Board must comply with the standards of content and performance established by the ~~[Council to Establish Academic Standards for Public Schools]~~ Superintendent of Public Instruction pursuant to NRS 389.520.

2. For those courses of study prescribed by the State Board:

(a) High schools may have modified courses of study, subject to the approval of the State Board; and

(b) Any high school offering courses normally accredited as being beyond the level of the 12th grade shall, before offering such courses, have them approved by the State Board.

3. A charter school is not required to offer the courses of study prescribed by the State Board except for those courses of study which are required for promotion to the next grade or graduation from high school.

Sec. 6. NRS 385.150 is hereby amended to read as follows:

385.150 1. The ~~[State Board]~~ Governor shall appoint the Superintendent of Public Instruction for a term of ~~[3]~~ 4 years. The ~~[State Board]~~ Governor may remove the Superintendent of Public Instruction from office for inefficiency, neglect of duty, malfeasance in office or for other just cause.

2. A vacancy must be filled by the ~~[State Board]~~ Governor for the remainder of the unexpired term ~~[]~~ in the manner prescribed in this section.

3. The Superintendent of Public Instruction is in the unclassified service of the State.

4. *The appointment of the Superintendent of Public Instruction must be made from a list of names of at least three persons that is submitted to the Governor by the search committee convened pursuant to subsection 5.*

5. *Before the expiration of the term of the Superintendent of Public Instruction or in the event of a vacancy, the Governor shall convene a search committee to recommend candidates for appointment as the Superintendent of Public Instruction. The search committee must consist of the following members:*

- (a) *A member of the State Board, appointed by the President of the Board;*
- (b) *Two members appointed by the Governor;*
- (c) *A member who is not a Legislator, appointed by the Majority Leader of the Senate; and*
- (d) *A member who is not a Legislator, appointed by the Speaker of the Assembly.*

6. *The search committee shall:*

- (a) *Solicit the names of potential candidates for appointment as the Superintendent of Public Instruction;*
- (b) *Review the qualifications of each potential candidate;*
- (c) *Conduct interviews of potential candidates; and*
- (d) *Recommend to the Governor not less than three persons as candidates for appointment as the Superintendent of Public Instruction.*

Sec. 7. NRS 385.170 is hereby amended to read as follows:

385.170 The Superintendent of Public Instruction shall not pursue any other business or occupation or hold any other office of profit without the approval of the ~~{State Board of Education.}~~ Governor.

Sec. 8. NRS 385.175 is hereby amended to read as follows:

385.175 The Superintendent of Public Instruction shall:

1. Execute, direct or supervise all administrative, technical and procedural activities of the Department . ~~{in accordance with policies prescribed by the State Board.}~~

2. *Oversee the activities of the:*

- (a) *Advisory Commission on Educational Technology; and*
- (b) *Advisory Council for Academic Standards in the Public Schools.*

3. Employ , *within the limits of available money*, personnel for the positions ~~{approved by the State Board and}~~ necessary for the efficient operation of the Department.

~~{3.}~~ 4. Organize the Department in a manner which will assure efficient operation and service.

~~{4.}~~ 5. Maintain liaison and coordinate activities with other state agencies performing educational functions.

~~{5.}~~ 6. Perform such other duties as are prescribed by law.

Sec. 9. NRS 385.330 is hereby amended to read as follows:

385.330 1. Professional staff and other personnel appointed by the Superintendent of Public Instruction shall perform such duties as are assigned by the Superintendent.

2. The Superintendent of Public Instruction ~~{, under the policies of the State Board,}~~ shall locate the offices of professional staff and other personnel where the needs of the education program can best be served.

Sec. 10. ~~[NRS 385.3783 is hereby amended to read as follows:
385.3783. ["Commission"] "Advisory Commission" means the Advisory
Commission on Educational Excellence created by NRS 385.3784.] (Deleted
by amendment.)~~

Sec. 11. ~~[NRS 385.3784 is hereby amended to read as follows:
385.3784. 1. The Advisory Commission on Educational Excellence,
consisting of [nine] eight members, is hereby created. [The Superintendent
of Public Instruction shall serve as an ex officio voting member of the
Commission.] The Governor shall appoint the following members to the
Advisory Commission:~~

~~(a) Three teachers, two of whom have experience in providing instruction
at public elementary schools and who have been successful in school
improvement efforts and one of whom has experience in providing
instruction at secondary schools and who has been successful in school
improvement efforts;~~

~~(b) Two principals, one of whom has experience in administering
successful school improvement efforts at an elementary school and one of
whom has experience in administering successful school improvement efforts
at a secondary school;~~

~~(c) Two school district administrators, one of whom is employed by a
school district in a county whose population is less than 100,000 and one of
whom is employed by a school district in a county whose population is
100,000 or more; and~~

~~(d) One parent or legal guardian of a pupil enrolled in a public school in
this State.~~

~~One or more of the members appointed pursuant to this subsection may be
retired from employment, but those retired members that are appointed must
have been employed with a public school in this State in the immediately
preceding 5 years.~~

~~2. The Governor may solicit recommendations for appointments pursuant
to this section from the Nevada State Education Association, the Nevada
Association of School Administrators, a statewide organization for parents of
pupils, the Statewide Council for the Coordination of the Regional Training
Programs and other organizations and entities related to education in this
State. The Governor may consider the recommendations submitted and may
make appointments from those recommendations. The Governor shall
appoint a Chairman from among the members he appoints.~~

~~3. After the initial terms, the term of each [appointed] member of the
Advisory Commission is 2 years, commencing on January 1 of the year in
which he is appointed and expiring on December 31 of the immediately
following year. A member shall continue to serve on the Advisory
Commission until his successor is appointed. Upon the expiration of a term
of a member, he may be reappointed if he still possesses any requisite
qualifications for appointment. There is no limit on the number of terms that
a member may serve.~~

~~4. The Advisory Commission shall hold at least four regular meetings each year and may hold special meetings at the call of the Chairman.~~

~~5. Members of the Advisory Commission serve without compensation, except that for each day or portion of a day during which a member of the Advisory Commission attends a meeting of the Advisory Commission or is otherwise engaged in the business of the Advisory Commission, he is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally. The per diem allowances and travel expenses must be paid from the Account and accounted for separately in that Account. In addition, money in the Account may be used to pay compensation necessary for the employment of substitute teachers who are hired on those days when a member of the Advisory Commission attends a meeting of the Advisory Commission or is otherwise engaged in the business of the Advisory Commission.~~

~~6. The Department shall provide:~~

- ~~(a) Administrative support;~~
- ~~(b) Equipment; and~~
- ~~(c) Office space;~~

~~as is necessary for the Advisory Commission to carry out its duties.~~

~~7. The Legislative Counsel Bureau:~~

- ~~(a) Must be provided with adequate notice of each meeting of the Advisory Commission; and~~
- ~~(b) Shall provide, as requested by the Committee, technical expertise and assistance to the Advisory Commission. (Deleted by amendment.)~~

Sec. 12. [NRS 385.3785 is hereby amended to read as follows:

~~385.3785 1. The Advisory Commission shall:~~

~~(a) Establish a program of educational excellence designed exclusively for pupils enrolled in kindergarten through grade 6 in public schools in this State based upon:~~

~~(1) The plan to improve the achievement of pupils prepared by the State Board pursuant to NRS 385.34691;~~

~~(2) The plan to improve the achievement of pupils prepared by the board of trustees of each school district pursuant to NRS 385.348;~~

~~(3) The plan to improve the achievement of pupils prepared by the principal of each school pursuant to NRS 385.357, which may include a program of innovation; and~~

~~(4) Any other information that the Advisory Commission considers relevant to the development of the program of educational excellence.~~

~~(b) Identify programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.~~

~~(c) Develop a concise application and simple procedures for the submission of applications by school districts and public schools, including, without limitation, charter schools, for participation in a program of educational excellence and for grants of money from the Account. Grants of money must be made for programs designed for the achievement of pupils~~

~~that are linked to the plan to improve the achievement of pupils or for innovative programs, or both. All school districts and public schools, including, without limitation, charter schools, are eligible to submit such an application, regardless of whether the school district or school has made adequate yearly progress or failed to make adequate yearly progress. [A school district or public school selected for participation may be approved by the Commission for participation for a period not to exceed 2 years, but may reapply.]~~

~~(d) Prescribe a long range timeline for the review, approval and evaluation of applications received from school districts and public schools that desire to participate in the program.~~

~~(e) Prescribe accountability measures to be carried out by a school district or public school that participates in the program if that school district or public school does not meet the annual measurable objectives established by the State Board pursuant to NRS 385.261, including, without limitation:~~

~~(1) The specific levels of achievement expected of school districts and schools that participate; and~~

~~(2) Conditions for school districts and schools that do not meet the grant criteria but desire to continue participation in the program and receive money from the Account, including, without limitation, a review of the leadership at the school and recommendations regarding changes to the appropriate body.~~

~~(f) Determine the amount of money that is available from the Account for those school districts and public schools that are selected to participate in the program.~~

~~(g) [Allocate] Recommend to the Committee allocations of money to school districts and public schools from the Account. [Allocations must be distributed not later than August 15 of each year.]~~

~~(h) Establish criteria for school districts and public schools that participate in the program and receive an allocation of money from the Account to evaluate the effectiveness of the allocation in improving the achievement of pupils, including, without limitation, a detailed analysis of:~~

~~(1) The achievement of pupils enrolled at each school that received money from the allocation based upon measurable criteria identified in the plan to improve the achievement of pupils for the school prepared pursuant to NRS 385.357;~~

~~(2) If applicable, the achievement of pupils enrolled in the school district as a whole, based upon measurable criteria identified in the plan to improve the achievement of pupils for the school district prepared pursuant to NRS 385.348;~~

~~(3) If applicable, the effectiveness of the program of innovation on the achievement of pupils and the overall effectiveness for pupils and staff;~~

~~(4) The implementation of the applicable plans for improvement, including, without limitation, an analysis of whether the school district or the school is meeting the measurable objectives identified in the plan; and~~

~~(5) The attainment of measurable progress on the annual list of adequate yearly progress of school districts and schools.~~

~~2.—The Advisory Commission shall, on or before June 1 of each year, recommend to the Committee allocations of money for the school districts and public schools that participate in the program. The Committee shall review the recommendations of the Advisory Commission and determine which applications to transmit, with recommendations, to the State Board of Examiners.~~

~~3.—The State Board of Examiners, or the Clerk of the Board if authorized by the Board to act on its behalf, shall consider each application and, if it finds that an allocation of money should be made, recommend the amount of each allocation to the Interim Finance Committee. The Interim Finance Committee shall consider each recommendation submitted by the State Board of Examiners, but is not bound to follow the recommendations of the State Board of Examiners when determining the allocation of money for each school district and school.~~

~~4.—To the extent money is available, the [Commission] Interim Finance Committee shall make allocations of money to school districts and public schools for effective programs for grades 7 through 12 that are designed to improve the achievement of pupils and effective programs of innovation for pupils. [In making such allocations, the Commission shall comply with the requirements of subsection 1.~~

~~3.] A school district or public school selected for participation may be approved by the Interim Finance Committee for participation for a period not to exceed 2 years, but may reapply.~~

~~5.—Allocations of money must be distributed not later than August 15 of each year.~~

~~6.—If a school district or public school that receives money pursuant to subsection [1 or 2] 4 does not meet the criteria for effectiveness as prescribed in paragraph (h) of subsection 1 over a 2-year period, the Advisory Commission may consider not [awarding] recommending future allocations of money to that school district or public school.~~

~~[4.] 7.—On or before July 1 of each year, the Department shall provide a list of priorities of schools based upon the adequate yearly progress status of schools in the immediately preceding year for consideration by the Advisory Commission in its development of procedures for the applications.~~

~~[5.] 8.—In carrying out the requirements of this section, the Advisory Commission shall review and consider the programs of remedial study adopted by the Department pursuant to NRS 385.389, the list of approved providers of supplemental services maintained by the Department pursuant to NRS 385.384 and the recommendations submitted by the Committee pursuant to NRS 218.5354 concerning programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.] (Deleted by amendment.)~~

Sec. 13. ~~[NRS 385.3789 is hereby amended to read as follows:~~

~~385.3789 1. The Advisory Commission shall prepare an annual report that describes the distribution of money to the school districts and public schools and the programs for which money was allocated from the Account. The report must be submitted on or before September 1 of each year to the entities identified in subsection 2.~~

~~2. The Advisory Commission shall:~~

~~(a) Prepare an annual report that describes:~~

~~(1) The activities of the Advisory Commission;~~

~~(2) An analysis of the progress of the school districts and public schools in carrying out the plans to improve the achievement of pupils; and~~

~~(3) An analysis of the progress of the school district and public schools that received an allocation of money from the Account in improving the achievement of pupils.~~

~~(b) Submit the report on or before January 31 of each year to the entities identified in subsection 2.~~

~~3. The Advisory Commission shall submit the reports required by this section to the:~~

~~(a) State Board;~~

~~(b) Governor;~~

~~(c) Committee;~~

~~(d) Bureau;~~

~~(e) Interim Finance Committee; and~~

~~(f) Board of trustees of each school district.] (Deleted by amendment.)~~

Sec. 14. [NRS 385.379 is hereby amended to read as follows:

~~385.379 1. The Account for Programs for Innovation and the Prevention of Remediation is hereby created in the State General Fund, to be administered by the Superintendent of Public Instruction. The Superintendent of Public Instruction may accept gifts and grants of money from any source for deposit in the Account. Any money from gifts and grants may be expended in accordance with the terms and conditions of the gift or grant, or in accordance with subsection 2. The interest and income earned on the money in the Account must be credited to the Account. Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.~~

~~2. The money in the Account may only be used for the allocation of money to school districts and public schools whose applications are approved by the [Commission] Interim Finance Committee pursuant to NRS 385.3785.] (Deleted by amendment.)~~

Sec. 15. NRS 387.303 is hereby amended to read as follows:

387.303 1. Not later than November 10 of each year, the board of trustees of each school district shall submit to the Superintendent of Public Instruction and the Department of Taxation a report which includes the following information:

(a) For each fund within the school district, including, without limitation, the school district's general fund and any special revenue fund which receives state money, the total number and salaries of licensed and nonlicensed persons whose salaries are paid from the fund and who are employed by the school district in full-time positions or in part-time positions added together to represent full-time positions. Information must be provided for the current school year based upon the school district's final budget, including any amendments and augmentations thereto, and for the preceding school year. An employee must be categorized as filling an instructional, administrative, instructional support or other position.

(b) The count of pupils computed pursuant to paragraph (a) of subsection 1 of NRS 387.1233.

(c) The school district's actual expenditures in the fiscal year immediately preceding the report.

(d) The school district's proposed expenditures for the current fiscal year.

(e) The schedule of salaries for licensed employees in the current school year and a statement of whether the negotiations regarding salaries for the current school year have been completed. If the negotiations have not been completed at the time the schedule of salaries is submitted, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction upon completion of negotiations or the determination of an arbitrator concerning the negotiations that includes the schedule of salaries agreed to or required by the arbitrator.

(f) The number of teachers who received an increase in salary pursuant to subsection 2 of NRS 391.160 for the current and preceding fiscal years. If the board of trustees is required to pay an increase in salary retroactively pursuant to subsection 2 of NRS 391.160, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction not later than February 15 of the year in which the retroactive payment was made that includes the number of teachers to whom an increase in salary was paid retroactively.

(g) The number of employees eligible for health insurance within the school district for the current and preceding fiscal years and the amount paid for health insurance for each such employee during those years.

(h) The rates for fringe benefits, excluding health insurance, paid by the school district for its licensed employees in the preceding and current fiscal years.

(i) The amount paid for extra duties, supervision of extracurricular activities and supplemental pay and the number of employees receiving that pay in the preceding and current fiscal years.

(j) The expenditures from the account created pursuant to subsection 3 of NRS 179.1187. The report must indicate the total amount received by the district in the preceding fiscal year, and the specific amount spent on books and computer hardware and software for each grade level in the district.

2. On or before November 25 of each year, the Superintendent of Public Instruction shall submit to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau, in a format approved by the Director of the Department of Administration, a compilation of the reports made by each school district pursuant to subsection 1.

3. *In preparing the agency biennial budget request for the State Distributive School Account for submission to the Department of Administration, the Superintendent of Public Instruction shall:*

(a) Compile the information from the most recent compilation of reports submitted pursuant to subsection 2;

(b) Increase the line items of expenditure or revenue based on merit salary increases, cost of living adjustments or inflation, as deemed credible and reliable based upon published indices and research relevant to the specific line item of expenditure or revenue;

(c) Adjust expenditures and revenues pursuant to paragraph (b) for any year remaining before the biennium for which the budget is being prepared and for the 2 years of the biennium covered by the biennial budget request to project the cost of expenditures or the receipt of revenues for the specific line items;

(d) Consider the cost of enhancements to existing programs or the projected cost of proposed new educational programs, regardless of whether those enhancements or new programs are included in the per pupil basic support guarantee for inclusion in the biennial budget request to the Department of Administration; and

(e) Obtain approval from the State Board for any inflationary increase, enhancement to an existing program or addition of a new program included in the agency biennial budget request.

4. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues ~~and expenditures~~ of the school districts with the apportionment received by those districts from the State Distributive School Account for the preceding year.

5. *The budget request prepared pursuant to subsection 3 must:*

(a) Be presented by the Superintendent of Public Instruction to such standing committees of the Legislature as the Superintendent determines appropriate for the purpose of developing educational programs and providing appropriations for those programs; and

(b) Provide for a direct comparison of appropriations to the proposed budget of the Governor submitted pursuant to subsection 4 of NRS 353.230.

Sec. 16. NRS 388.785 is hereby amended to read as follows:

388.785 ~~["Commission"]~~ "Advisory Commission" means the Advisory Commission on Educational Technology created pursuant to NRS 388.790.

Sec. 17. NRS 388.790 is hereby amended to read as follows:

388.790 1. The *Advisory* Commission on Educational Technology, consisting of 2 members who serve ex officio and 11 members who are appointed, is hereby created. The Superintendent of Public Instruction, *or his*

designee, and the Director of the Department of Information Technology shall serve ~~ex officio~~ as nonvoting members of the *Advisory* Commission.

2. The Governor shall appoint the following voting members to the *Advisory* Commission, at least two of whom must reside in a county whose population is less than 100,000:

(a) One administrator in a public school who possesses knowledge and experience in the general application of technology;

(b) One school teacher in a public elementary school who possesses knowledge and experience in the use of educational technology in the public schools;

(c) One school teacher in a public secondary school who possesses knowledge and experience in the use of educational technology in the public schools;

(d) One representative of public libraries who possesses knowledge and experience in the general application of technology;

(e) One representative of the Nevada System of Higher Education who possesses knowledge and experience in the use of educational technology in institutions of higher education;

(f) One representative of the private sector who possesses knowledge and experience in the use of technology; and

(g) One parent or legal guardian who possesses knowledge and experience in the general application of technology.

3. The Majority Leader of the Senate shall appoint two voting members to the *Advisory* Commission:

(a) One of whom is a member of the Senate; and

(b) One of whom is employed in the field of technology.

4. The Speaker of the Assembly shall appoint two voting members to the *Advisory* Commission:

(a) One of whom is a member of the Assembly; and

(b) One of whom is employed in the field of technology.

5. The Governor shall appoint a Chairman among the voting members of the *Advisory* Commission.

6. After the initial terms, the term of each member of the *Advisory* Commission is 2 years, commencing on January 1 of the year he is appointed and expiring on December 31 of the immediately following year. A member shall continue to serve on the *Advisory* Commission until his successor is appointed. Upon the expiration of a term of a member, he may be reappointed if he still possesses any requisite qualifications for appointment. There is no limit on the number of terms that a member may serve.

7. The person or entity who appoints a member to the *Advisory* Commission may remove that member if the member neglects his duty or commits malfeasance in office, or for other just cause. Any vacancy in the membership of the *Advisory* Commission must be filled for the remainder of the unexpired term in the same manner as the original appointment.

8. The *Advisory* Commission shall hold at least four regular meetings each year and may hold special meetings at the call of the Chairman.

9. Members of the *Advisory* Commission who are not Legislators serve without compensation, except that for each day or portion of a day during which a member of the *Advisory* Commission attends a meeting of the *Advisory* Commission or is otherwise engaged in the business of the *Advisory* Commission, he is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

10. For each day or portion of a day during which a member of the *Advisory* Commission who is a Legislator attends a meeting of the *Advisory* Commission or is otherwise engaged in the work of the *Advisory* Commission, except during a regular or special session of the Legislature, he is entitled to receive the:

(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session;

(b) Per diem allowance provided for state officers and employees generally; and

(c) Travel expenses provided pursuant to NRS 218.2207.

➔ The compensation, per diem allowances and travel expenses of the legislative members of the *Advisory* Commission must be paid from the Legislative Fund.

Sec. 18. NRS 388.795 is hereby amended to read as follows:

388.795 1. The ~~{Commission}~~ *Superintendent of Public Instruction* shall establish a plan for the use of educational technology in the public schools of this State. In preparing the plan, the ~~{Commission}~~ *Superintendent* shall consider:

(a) Plans that have been adopted by the Department and the school districts in this State;

(b) Plans that have been adopted in other states;

(c) The information reported pursuant to paragraph (t) of subsection 2 of NRS 385.347; ~~{and}~~

(d) *The advice and recommendations of the Advisory Commission; and*

(e) Any other information that the *Superintendent, the Advisory Commission* or the Committee deems relevant to the preparation of the plan.

2. *The Advisory Commission shall advise and make recommendations to the Superintendent of Public Instruction in carrying out the provisions of this section.*

3. The plan established by the ~~{Commission}~~ *Superintendent of Public Instruction* must include recommendations for methods to:

(a) Incorporate educational technology into the public schools of this State;

(b) Increase the number of pupils in the public schools of this State who have access to educational technology;

(c) Increase the availability of educational technology to assist licensed teachers and other educational personnel in complying with the requirements

of continuing education, including, but not limited to, the receipt of credit for college courses completed through the use of educational technology;

(d) Facilitate the exchange of ideas to improve the achievement of pupils who are enrolled in the public schools of this State; and

(e) Address the needs of teachers in incorporating the use of educational technology in the classroom, including, but not limited to, the completion of training that is sufficient to enable the teachers to instruct pupils in the use of educational technology.

~~{3-}~~ 4. The Department shall provide:

- (a) Administrative support;
- (b) Equipment; and
- (c) Office space,

↪ as is necessary for the *Advisory Commission* to carry out the provisions of this section.

~~{4-}~~ 5. The following entities shall cooperate with the *Superintendent of Public Instruction and the Advisory Commission* in carrying out the provisions of this section:

- (a) The State Board.
- (b) The board of trustees of each school district.
- (c) The superintendent of schools of each school district.
- (d) The Department.

~~{5-}~~ 6. The *Superintendent of Public Instruction, upon advice and recommendation of the Advisory Commission*, shall:

(a) Develop technical standards for educational technology and any electrical or structural appurtenances necessary thereto, including, without limitation, uniform specifications for computer hardware and wiring, to ensure that such technology is compatible, uniform and can be interconnected throughout the public schools of this State.

(b) Allocate money to the school districts from the Trust Fund for Educational Technology created pursuant to NRS 388.800 and any money appropriated by the Legislature for educational technology, subject to any priorities for such allocation established by the Legislature.

(c) Establish criteria for the board of trustees of a school district that receives an allocation of money from the ~~{Commission}~~ *Superintendent* to:

- (1) Repair, replace and maintain computer systems.
- (2) Upgrade and improve computer hardware and software and other educational technology.
- (3) Provide training, installation and technical support related to the use of educational technology within the district.

(d) Submit to the Governor, the *Advisory Commission, the Committee* and the Department ~~{its}~~ a plan for the use of educational technology in the public schools of this State and any recommendations for legislation.

(e) Review the plan annually and make revisions as it deems necessary or as directed by the Committee or the Department.

(f) In addition to the recommendations set forth in the plan pursuant to subsection 2, make further recommendations to the Committee and the Department as the ~~{Commission}~~ *Superintendent* deems necessary.

~~{6-}~~ 7. The *Advisory Commission* may ~~{appoint}~~ *recommend to the Superintendent of Public Instruction for appointment* an advisory committee composed of members of the *Advisory Commission* or other qualified persons to provide recommendations to the ~~{Commission}~~ *Superintendent* regarding standards for the establishment, coordination and use of a telecommunications network in the public schools throughout the various school districts in this State. ~~{The}~~ *An* advisory committee serves at the pleasure of the ~~{Commission}~~ *Superintendent* and without compensation unless an appropriation or other money for that purpose is provided by the Legislature.

~~{7-}~~ 8. As used in this section, "public school" includes the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS.

Sec. 19. NRS 388.800 is hereby amended to read as follows:

388.800 1. The Trust Fund for Educational Technology is hereby created in the State General Fund. The Trust Fund must be administered by the Superintendent of Public Instruction. The Superintendent may accept gifts and grants of money from any source for deposit in the Trust Fund. Any such money may be expended in accordance with the terms and conditions of the gift or grant, or in accordance with subsection 3.

2. The interest and income earned on the money in the Trust Fund must be credited to the Trust Fund.

3. The money in the Trust Fund may be used only for the distribution of money to school districts to be used in kindergarten through 12th grade to obtain and maintain hardware and software for computer systems, equipment for transfer of data by modem through connection to telephone lines, and other educational technology as may be approved by the ~~{Commission}~~ *Superintendent of Public Instruction* for use in classrooms.

Sec. 20. NRS 388.805 is hereby amended to read as follows:

388.805 The Department shall, in consultation with the *Advisory Commission*, adopt regulations that establish a program whereby school districts may apply to the ~~{Commission on Educational Technology}~~ *Superintendent of Public Instruction* for money from the Trust Fund for Educational Technology.

Sec. 21. NRS 389.500 is hereby amended to read as follows:

389.500 As used in NRS 389.500 to 389.570, inclusive, ~~{"Council"}~~ *"Advisory Council"* means the *Advisory Council* ~~{to Establish}~~ *for* Academic Standards ~~{for}~~ *in the Public Schools*.

Sec. 22. NRS 389.510 is hereby amended to read as follows:

389.510 1. The *Advisory Council* ~~{to Establish}~~ *for* Academic Standards ~~{for}~~ *in the Public Schools* ~~{, consisting of eight members,}~~ is

hereby created ~~[]~~ to advise the Superintendent of Public Instruction. The membership of the *Advisory Council* consists of ~~[]~~:

~~(a) Four~~ six members appointed by the ~~[Governor in accordance with subsection 2;~~

~~(b) Two members appointed by the Majority Leader of the Senate in accordance with subsection 3; and~~

~~(c) Two members appointed by the Speaker of the Assembly in accordance with subsection 3.~~

~~2.—The Governor shall ensure that:~~

~~(a) Two of the members whom he appoints to the Council~~ Superintendent as follows:

(a) Two members who are parents or legal guardians of pupils who attend public schools. These members must not otherwise be affiliated with the public school system of this State.

(b) Two ~~[of the members whom he appoints to the Council]~~ members who are licensed educational personnel.

(c) Two members who are representatives of a private business or industry that may be affected by actions taken by the Advisory Council or the Superintendent in carrying out the provisions of NRS 389.500 to 389.570, inclusive.

➤ Insofar as practicable, the Superintendent shall ensure that the members ~~[whom]~~ he appoints to the *Advisory Council* reflect the ethnic and geographical diversity of this State.

~~[3.—The Majority Leader of the Senate and the Speaker of the Assembly shall each ensure that:~~

~~(a) One of the members whom he appoints to the Council is a member of the House of the Legislature to which he belongs.~~

~~(b) The other member whom he appoints to the Council is a representative of a private business or industry that may be affected by actions taken by the Council.~~

~~4.]~~ 2. Each member of the *Advisory Council* must be a resident of this State.

~~[5.]~~ 3. After the initial terms, the term of each member of the *Advisory Council* is 4 years. The ~~[person who appoints a member to the Council]~~ Superintendent of Public Instruction may remove ~~[that]~~ a member if ~~[the]~~ that member neglects his duty or commits malfeasance in office, or for other just cause. A vacancy in the membership of the *Advisory Council* must be filled for the remainder of the unexpired term . ~~[in the same manner as the original appointment.]~~ A member shall continue to serve on the *Advisory Council* until his successor is appointed.

~~[6.—The Governor]~~

4. The Superintendent of Public Instruction shall select a Chairman from among the membership of the *Advisory Council* in accordance with this subsection. The ~~[Governor]~~ Superintendent shall not select as Chairman a member of the *Advisory Council* who is affiliated with the public school

system in this State, except that this subsection does not preclude the ~~{Governor}~~ *Superintendent* from selecting a parent or legal guardian of a pupil as Chairman if the parent or legal guardian is not otherwise affiliated with the public school system in this State. Once selected by the ~~{Governor}~~ *Superintendent*, the Chairman holds that office for 2 years.

~~{7. For each day or portion of a day during which a member of the Council who is a Legislator attends a meeting of the Council or is otherwise engaged in the work of the Council, except during a regular or special session of the Legislature, he is entitled to receive the:~~

~~(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session;~~

~~(b) Per diem allowance provided for state officers and employees generally; and~~

~~(c) Travel expenses provided pursuant to NRS 218.2207.~~

~~→ The compensation, per diem allowances and travel expenses of the legislative members of the Council must be paid from the Legislative Fund.~~

~~8.]~~ 5. Members of the *Advisory Council* ~~{who are not Legislators}~~ serve without salary, but are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

Sec. 23. NRS 389.520 is hereby amended to read as follows:

389.520 1. The ~~{Council}~~ *Superintendent of Public Instruction* shall:

(a) Establish standards of content and performance, including, without limitation, a prescription of the resulting level of achievement, for the grade levels set forth in subsection 2, based upon the content of each course, that is expected of pupils for the following courses of study:

(1) English, including reading, composition and writing;

(2) Mathematics;

(3) Science;

(4) Social studies, which includes only the subjects of history, geography, economics and government;

(5) The arts;

(6) Computer education and technology;

(7) Health; and

(8) Physical education.

(b) Establish a schedule for the periodic review and, if necessary, revision of the standards of content and performance. The review must include, without limitation, the review required pursuant to NRS 389.570 of the results of pupils on the examinations administered pursuant to NRS 389.550.

(c) Assign priorities to the standards of content and performance relative to importance and degree of emphasis and revise the standards, if necessary, based upon the priorities.

2. The ~~{Council}~~ *Superintendent of Public Instruction* shall establish standards of content and performance for each grade level in kindergarten and grades 1 to 8, inclusive, for English and mathematics. The ~~{Council}~~ *Superintendent* shall establish standards of content and performance for the

grade levels selected by the ~~{Council}~~ *Superintendent* for the other courses of study prescribed in subsection 1.

3. The State Board shall adopt the standards of content and performance established by the ~~{Council}~~ *Superintendent of Public Instruction*.

4. *The Superintendent of Public Instruction shall consider the advice and recommendations of the Advisory Council in carrying out the provisions of this section.*

5. The ~~{Council}~~ *State Board* shall work in cooperation with the ~~{State Board}~~ *Advisory Council* to prescribe the examinations required by NRS 389.550.

Sec. 24. NRS 389.540 is hereby amended to read as follows:

389.540 The board of trustees of each school district shall conduct a periodic review of the courses of study offered in the public schools of the school district to determine whether the courses of study comply with the standards of content and performance established by the ~~{Council}~~ *Superintendent of Public Instruction* pursuant to NRS 389.520 and if revision of the courses of study is necessary to ensure compliance.

Sec. 25. NRS 389.550 is hereby amended to read as follows:

389.550 1. The State Board shall, in consultation with the *Advisory Council*, prescribe examinations that comply with 20 U.S.C. § 6311(b)(3) and that measure the achievement and proficiency of pupils:

(a) For grades 3 ~~[4, 5, 6, 7 and]~~ to 8, inclusive, in the standards of content established by the ~~{Council}~~ *Superintendent of Public Instruction* for the subjects of English and mathematics.

(b) For grades 5 and 8, in the standards of content established by the ~~{Council}~~ *Superintendent* for the subject of science.

↪ The examinations prescribed pursuant to this subsection must be written, developed, printed and scored by a nationally recognized testing company.

2. In addition to the examinations prescribed pursuant to subsection 1, the State Board shall, in consultation with the *Advisory Council*, prescribe a writing examination for grades 5 and 8 and for the high school proficiency examination.

3. The board of trustees of each school district and the governing body of each charter school shall administer the examinations prescribed by the State Board. The examinations must be:

(a) Administered to pupils in each school district and each charter school at the same time during the spring semester, as prescribed by the State Board.

(b) Administered in each school in accordance with uniform procedures adopted by the State Board. The Department shall monitor the school districts and individual schools to ensure compliance with the uniform procedures.

(c) Administered in each school in accordance with the plan adopted pursuant to NRS 389.616 by the Department and with the plan adopted pursuant to NRS 389.620 by the board of trustees of the school district in

which the examinations are administered. The Department shall monitor the compliance of school districts and individual schools with:

- (1) The plan adopted by the Department; and
- (2) The plan adopted by the board of trustees of the applicable school district, to the extent that the plan adopted by the board of trustees of the school district is consistent with the plan adopted by the Department.

Sec. 26. NRS 389.570 is hereby amended to read as follows:

389.570 1. The *Advisory Council and the Superintendent of Public Instruction* shall review the results of pupils on the examinations administered pursuant to NRS 389.550, including, without limitation, for each school in a school district and each charter school that is located within a school district, a review of the results for the current school year and a comparison of the progress, if any, made by the pupils enrolled in the school from preceding school years.

2. After the completion of the review pursuant to subsection 1, *the Superintendent of Public Instruction, in consultation with the Advisory Council*, shall evaluate:

(a) Whether the standards of content and performance established by the ~~{Council}~~ *Superintendent* require revision; and

(b) The success of pupils, as measured by the results of the examinations, in achieving the standards of performance established by the ~~{Council}~~ *Superintendent*.

3. The ~~{Council}~~ *Superintendent of Public Instruction* shall report the results of the evaluation conducted pursuant to subsection 2 to the *Advisory Council, the State Board and the Legislative Committee on Education*.

Sec. 27. NRS 390.140 is hereby amended to read as follows:

390.140 1. The State Board shall make the final selection of all textbooks to be used in the public schools in this State, except for charter schools. If a textbook proposed for selection is in a subject area for which standards of content have been established by the ~~{Council to Establish Academic Standards for Public Schools}~~ *Superintendent of Public Instruction* pursuant to NRS 389.520, the State Board shall not select the textbook unless the State Board determines that the textbook adequately supports the standards for that subject area.

2. A textbook must not be selected by the State Board pursuant to subsection 1 for use in the public schools in classes in literature, history or social sciences unless it accurately portrays the cultural and racial diversity of our society, including lessons on the contributions made to our society by men and women from various racial and ethnic backgrounds.

Sec. 28. NRS 391.038 is hereby amended to read as follows:

391.038 1. The State Board, in consultation with educational institutions in this State which offer courses of study and training for the education of teachers, the board of trustees of each school district in this State and other educational personnel, shall review and evaluate a course of

study and training offered by an educational institution which is designed to provide the education required for:

- (a) The licensure of teachers or other educational personnel;
- (b) The renewal of licenses of teachers or other educational personnel; or
- (c) An endorsement in a field of specialization.

➔ If the course of study and training meets the requirements established by the State Board, it must be approved by the State Board. The State Board shall not approve a course of study or training unless the course of study and training provides instruction, to the extent deemed necessary by the State Board, in the standards of content and performance prescribed by the ~~{Council to Establish Academic Standards for Public Schools}~~ *Superintendent of Public Instruction* pursuant to NRS 389.520.

2. The State Board may review and evaluate such courses of study and training itself or may recognize a course of study and training approved by a national agency for accreditation acceptable to the Board.

3. The State Board shall adopt regulations establishing fees for the review by the Board of a course of study and training submitted to the Board by an educational institution.

4. The State Board, in consultation with educational institutions in this State which offer courses of study and training for the education of teachers and other educational personnel, and the Nevada Association of Colleges for Teacher Education and the Nevada Association of Teacher Educators, shall adopt regulations governing the approval by the State Board of courses of study and training which are accredited by the National Council for Accreditation of Teacher Education, and those which are not so accredited.

5. If the State Board denies or withdraws its approval of a course of study or training, the educational institution is entitled to a hearing and judicial review of the decision of the State Board.

Sec. 29. NRS 391.512 is hereby amended to read as follows:

391.512 1. There are hereby created ~~{the Southern Nevada Regional Training Program, the Western Nevada Regional Training Program, the Northeastern Nevada Regional Training Program and the Northwestern Nevada Regional Training Program.}~~ *four regional training programs in this State.* The governing body of each regional training program shall establish and operate a:

(a) Regional training program for the professional development of teachers and administrators.

(b) Nevada Early Literacy Intervention Program through the regional training program established pursuant to paragraph (a).

2. ~~{Except as otherwise provided in subsection 6, the Southern Nevada Regional Training Program}~~ *The Superintendent of Public Instruction shall establish the geographical boundaries of each regional training program, which must primarily provide services to teachers and administrators who are employed by school districts {in:*

~~(a) Clark County;~~

- ~~(b) Esmeralda County;~~
- ~~(c) Lincoln County; and~~
- ~~(d) Nye County.~~

3. ~~Except as otherwise provided in subsection 6, the Western Nevada Regional Training Program must primarily provide services to teachers and administrators who are employed by school districts in:~~

- ~~(a) Carson City;~~
- ~~(b) Churchill County;~~
- ~~(c) Douglas County;~~
- ~~(d) Lyon County; and~~
- ~~(e) Mineral County.~~

4. ~~Except as otherwise provided in subsection 6, the Northeastern Nevada Regional Training Program must primarily provide services to teachers and administrators who are employed by school districts in:~~

- ~~(a) Elko County;~~
- ~~(b) Eureka County;~~
- ~~(c) Lander County;~~
- ~~(d) Humboldt County; and~~
- ~~(e) White Pine County.~~

5. ~~Except as otherwise provided in subsection 6, the Northwestern Nevada Regional Training Program must primarily provide services to teachers and administrators who are employed by school districts in:~~

- ~~(a) Pershing County;~~
- ~~(b) Storey County; and~~
- ~~(c) Washoe County.~~

6. ~~which are located within the geographical boundaries established by the Superintendent.~~ Each regional training program shall, when practicable, make reasonable accommodations for the attendance of teachers and administrators who are employed by school districts outside the primary jurisdiction of the regional training program.

~~{7.}~~ 3. The Superintendent of Public Instruction shall determine which board of trustees ~~{of the:~~

~~(a) Clark County School District} of a school district located within each regional training program shall serve as the fiscal agent for {the Southern Nevada Regional Training Program.~~

~~(b) Douglas County School District shall serve as the fiscal agent for the Western Nevada Regional Training Program.~~

~~(c) Elko County School District shall serve as the fiscal agent for the Northeastern Nevada Regional Training Program.~~

~~(d) Washoe County School District shall serve as the fiscal agent for the Northwestern Nevada Regional Training Program.~~

~~➡}~~ that regional training program. As fiscal agent, each school district is responsible for the payment, collection and holding of all money received from this State for the maintenance and support of the regional training

program and Nevada Early Intervention Program established and operated by the applicable governing body.

Sec. 30. NRS 391.544 is hereby amended to read as follows:

391.544 1. Based upon the assessment of needs for training within the region and priorities of training adopted by the governing body pursuant to NRS 391.540, each regional training program must provide:

(a) Training for teachers in the standards established by the ~~{Council to Establish Academic Standards for Public Schools}~~ *Superintendent of Public Instruction* pursuant to NRS 389.520.

(b) Through the Nevada Early Literacy Intervention Program established for the regional training program, training for teachers who teach kindergarten and grades 1, 2 or 3 on methods to teach fundamental reading skills, including, without limitation:

- (1) Phonemic awareness;
- (2) Phonics;
- (3) Vocabulary;
- (4) Fluency;
- (5) Comprehension; and
- (6) Motivation.

(c) At least one of the following types of training:

(1) Training for teachers and school administrators in the assessment and measurement of pupil achievement and the effective methods to analyze the test results and scores of pupils to improve the achievement and proficiency of pupils.

(2) Training for teachers in specific content areas to enable the teachers to provide a higher level of instruction in their respective fields of teaching. Such training must include instruction in effective methods to teach in a content area provided by teachers who are considered masters in that content area.

(3) In addition to the training provided pursuant to paragraph (b) of subsection 1, training for teachers in the methods to teach basic skills to pupils, such as providing instruction in reading with the use of phonics and providing instruction in basic skills of mathematics computation.

2. The training required pursuant to subsection 1 must:

(a) Include the activities set forth in 20 U.S.C. § 7801(34), as deemed appropriate by the governing body for the type of training offered.

(b) Include appropriate procedures to ensure follow-up training for teachers and administrators who have received training through the program.

(c) Incorporate training that addresses the educational needs of:

- (1) Pupils with disabilities who participate in programs of special education; and
- (2) Pupils who are limited English proficient.

3. The governing body of each regional training program shall prepare and maintain a list that identifies programs for the professional development of teachers and administrators that successfully incorporate:

(a) The standards of content and performance established by the ~~{Council to Establish Academic Standards for Public Schools}~~ *Superintendent of Public Instruction* pursuant to NRS 389.520;

(b) Fundamental reading skills; and

(c) Other training listed in subsection 1.

➔ The governing body shall provide a copy of the list on an annual basis to school districts for dissemination to teachers and administrators.

4. A regional training program may include model classrooms that demonstrate the use of educational technology for teaching and learning.

5. A regional training program may contract with the board of trustees of a school district that is served by the regional training program as set forth in NRS 391.512 to provide professional development to the teachers and administrators employed by the school district that is in addition to the training required by this section. Any training provided pursuant to this subsection must include the activities set forth in 20 U.S.C. § 7801(34), as deemed appropriate by the governing body for the type of training offered.

6. To the extent money is available from legislative appropriation or otherwise, a regional training program may provide training to paraprofessionals.

Sec. 31. NRS 391.552 is hereby amended to read as follows:

391.552 The governing body of each regional training program shall:

1. Establish a method for the evaluation of the success of the regional training program, including, without limitation, the Nevada Early Literacy Intervention Program. The method must be consistent with the uniform procedures adopted by the Statewide Council pursuant to NRS 391.520.

2. On or before September 1 of each year, submit an annual report to the State Board, the Commission, *the Department*, the Legislative Committee on Education and the Legislative Bureau of Educational Accountability and Program Evaluation that includes:

(a) The priorities for training adopted by the governing body pursuant to NRS 391.540.

(b) The type of training offered through the program in the immediately preceding year.

(c) The number of teachers and administrators who received training through the program in the immediately preceding year.

(d) The number of paraprofessionals, if any, who received training through the program in the immediately preceding year.

(e) An evaluation of the success of the program, including, without limitation, the Nevada Early Literacy Intervention Program, in accordance with the method established pursuant to subsection 1.

(f) A description of the gifts and grants, if any, received by the governing body in the immediately preceding year and the gifts and grants, if any, received by the Statewide Council during the immediately preceding year on behalf of the regional training program. The description must include the manner in which the gifts and grants were expended.

(g) The 5-year plan for the program prepared pursuant to NRS 391.540 and any revisions to the plan made by the governing body in the immediately preceding year.

Sec. 32. NRS 391.556 is hereby amended to read as follows:

391.556 The board of trustees of each school district shall submit an annual report to the State Board, the Commission, the Legislative Committee on Education and the Legislative Bureau of Educational Accountability and Program Evaluation that includes for the immediately preceding year:

1. The number of teachers and administrators employed by the school district who received training through the program; and

2. An evaluation of whether that training included the standards of content and performance established by the ~~{Council to Establish Academic Standards for Public Schools}~~ *Superintendent of Public Instruction* pursuant to NRS 389.520.

Sec. 33. NRS 392A.080 is hereby amended to read as follows:

392A.080 1. The governing body of a university school for profoundly gifted pupils ~~{must consist}~~ *consists of* ~~{nine}~~ *eight* ~~{and must include}~~ *10 members. [and must include] {the} The Superintendent of Public Instruction,* the president of the university where the university school for profoundly gifted pupils is located ~~{who}~~ *and the superintendent of schools of the school district in which the university school for profoundly gifted pupils is located shall serve* ~~{serves}~~ *ex-officio. [as nonvoting advisory members of the governing body.]* The Governor, *the Majority Leader of the Senate and the Speaker of the Assembly* shall *each* appoint ~~{three members}~~ *one voting member* to serve *a* 4-year ~~{terms}~~ *term*. The members appointed by the Governor, *the Majority Leader of the Senate and the Speaker of the Assembly* may not be *Legislators,* employees of the State, a municipality of the State or the Board of Regents of the University of Nevada. The remaining four *voting* members of the governing body ~~{shall}~~ *must* be appointed by the entity that operates the university school for profoundly gifted pupils. A person may serve on a governing body pursuant to this subsection only if he submits an affidavit to the Department indicating that the person has not been convicted of a felony or any crime involving moral turpitude.

2. The governing body of a university school for profoundly gifted pupils is a public body. It is hereby given such reasonable and necessary powers, not conflicting with the Constitution and the laws of the State of Nevada, as may be required to attain the ends for which the school is established and to promote the welfare of pupils who are enrolled in the school.

3. The governing body of a university school for profoundly gifted pupils shall, during each calendar quarter, hold at least one regularly scheduled public meeting in the county in which the school is located.

Sec. 34. NRS 396.5195 is hereby amended to read as follows:

396.5195 The Board of Regents shall, in cooperation with the ~~{State Board}~~ *Department* and the *Advisory Council* ~~{to Establish}~~ *for* Academic Standards ~~{for}~~ *in the* Public Schools, ensure that students enrolled in a

program developed by the System for the education of teachers are provided instruction regarding the standards of content and performance required of pupils enrolled in high schools in this State.

Sec. 35. NRS 218.5354 is hereby amended to read as follows:

218.5354 1. The Committee may:

(a) Evaluate, review and comment upon issues related to education within this State, including, but not limited to:

(1) Programs to enhance accountability in education;

(2) Legislative measures regarding education;

(3) The progress made by this State, the school districts and the public schools in this State in satisfying the goals and objectives of the federal No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq., and the annual measurable objectives established by the State Board of Education pursuant to NRS 385.361;

(4) Methods of financing public education;

(5) The condition of public education in the elementary and secondary schools;

(6) The program to reduce the ratio of pupils per class per licensed teacher prescribed in NRS 388.700, 388.710 and 388.720;

(7) The development of any programs to automate the receipt, storage and retrieval of the educational records of pupils; and

(8) Any other matters that, in the determination of the Committee, affect the education of pupils within this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section.

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

(d) Make recommendations to the Legislature concerning the manner in which public education may be improved.

2. The Committee shall:

(a) In addition to any standards prescribed by the Department of Education, prescribe standards for the review and evaluation of the reports of the State Board of Education, school districts and public schools pursuant to paragraph (a) of subsection 1 of NRS 385.359.

(b) For the purposes set forth in NRS 385.389, recommend to the Department of Education programs of remedial study for each subject tested on the examinations administered pursuant to NRS 389.015. In recommending these programs of remedial study, the Committee shall consider programs of remedial study that have proven to be successful in improving the academic achievement of pupils.

(c) Recommend to the Department of Education providers of supplemental educational services for inclusion on the list of approved providers prepared by the Department pursuant to NRS 385.384. In recommending providers, the Committee shall consider providers with a

demonstrated record of effectiveness in improving the academic achievement of pupils.

(d) For the purposes set forth in NRS 385.3785 ~~[, recommend]~~ :

(1) *Recommend* to the ~~[Advisory]~~ Commission on Educational Excellence created by NRS 385.3784 programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

(2) *Review the recommendations of the* ~~[Advisory]~~ *Commission on Educational Excellence for allocations of money and determine which applications to transmit to the State Board of Examiners pursuant to NRS 385.3785.*

Sec. 36. 1. Notwithstanding the provisions of NRS 385.150, as amended by section 6 of this act, the person serving as the Superintendent of Public Instruction on July 1, 2007, who was appointed by the State Board of Education pursuant to NRS 385.150 to a term expiring in 2010 continues to serve for the remainder of the unexpired term. If a vacancy occurs before the expiration of that term, the Governor shall appoint a Superintendent of Public Instruction in accordance with NRS 385.150, as amended by section 6 of this act, for the remainder of the unexpired term.

2. The Governor shall appoint a Superintendent of Public Instruction pursuant to NRS 385.150, as amended by section 6 of this act, commencing with the term that begins in 2010.

Sec. 37. 1. The terms of all members appointed to the Council to Establish Academic Standards for Public Schools created pursuant to NRS 389.510 who are incumbent on June 30, 2007, expire on that date.

2. Not later than July 1, 2007, the Superintendent of Public Instruction shall make the appointments to the Advisory Council for Academic Standards in the Public Schools pursuant to NRS 389.510, as amended by section 22 of this act, as follows:

(a) One member who is a parent or legal guardian of a pupil who attends public school, one member who is selected from among licensed educational personnel and one member who represents a business or industry must be appointed to terms expiring on June 30, 2009.

(b) One member who is a parent or legal guardian of a pupil who attends public school, one member who is selected from among licensed educational personnel and one member who represents a business or industry must be appointed to terms expiring on June 30, 2011.

➤ These appointments may include former members whose terms expired pursuant to subsection 1.

Sec. 38. The Superintendent of Public Instruction shall, on or before February 2, 2009:

1. Establish the boundaries of the four regional training programs that will be created on July 1, 2009, pursuant to NRS 391.512, as amended by section 29 of this act, and determine the boards of trustees of school districts

that shall serve as the fiscal agents for each regional training program respectively;

2. Prepare a plan for the fair and equitable allocation of any money, vehicles and other property held by regional training programs on June 30, 2009, to the four regional training programs described in subsection 1; and

3. Submit a report containing that information to the Director of the Legislative Counsel Bureau for transmittal to the 75th Session of the Nevada Legislature.

Sec. 39. 1. The Legislative Counsel shall, in preparing:

(a) The reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities have been transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

(b) Supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities have been transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

2. Any references in a bill or resolution passed by the 74th Session of the Nevada Legislature to an officer, agency or other entity whose name is changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity shall be deemed to refer to the officer, agency or other entity to which the responsibility is transferred.

3. The provisions of this section apply to:

~~(a) [The change of the name of the Commission on Educational Excellence to the Advisory Commission on Educational Excellence and the transfer of any duties from the Commission on Educational Excellence;~~

~~(b) [The change of the name of the Commission on Educational Technology to the Advisory Commission on Educational Technology and the transfer of any duties from the Commission on Educational Technology;~~

~~(c) [The change of the name of the Council to Establish Academic Standards for Public Schools to the Advisory Council for Academic Standards in the Public Schools and the transfer of any duties from the Council to Establish Academic Standards for Public Schools; and~~

~~(d) [Any other entity whose name was changed or duties transferred pursuant to the provisions of this act.~~

Sec. 40. 1. This section and sections 37 and 38 of this act become effective upon passage and approval.

2. Sections 1 to 28, inclusive, 30 to 36, inclusive, and 39 of this act become effective on July 1, 2007.

3. Section 29 of this act becomes effective on July 1, 2009.

Senator Cegavske moved the adoption of the amendment.

Remarks by Senator Cegavske .

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 625.

Bill read third time.

Roll call on Assembly Bill No. 625:

YEAS—21.

NAYS—None.

Assembly Bill No. 625 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS
REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 266, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 862 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 23, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Requires the performance of tests for the human immunodeficiency virus for pregnant women and newborn children. (BDR 40-1063)"

"AN ACT relating to public health; requiring certain prenatal tests for pregnant women under certain circumstances; requiring certain tests for the human immunodeficiency virus for pregnant women and newborn children under certain circumstances; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 6 of this bill requires a provider of health care to ensure that a woman receives, as part of the routine prenatal care recommended for all pregnant women during the first trimester of pregnancy, a test for the human immunodeficiency virus unless the woman chooses not to be tested. Section 6 requires a provider of health care to ensure that a pregnant woman receives a test for human immunodeficiency virus during her third trimester if she receives health care in a jurisdiction with a high prevalence of human immunodeficiency virus or acquired immunodeficiency syndrome among women of child-bearing age or in a high-risk clinical setting or if she reports that she has one or more of the risk factors identified by the Centers for Disease Control and Prevention, unless the woman chooses not to be tested. Section 6 also requires a provider of health care to ensure that a pregnant woman receives a rapid test for the human immunodeficiency virus during childbirth if she has not been tested for the human immunodeficiency virus earlier during her pregnancy or the results of an earlier test are not available, unless the woman chooses not to be tested. If a rapid test is administered and the result of the rapid test is positive, the provider of health care must offer to initiate antiretroviral prophylaxis as soon as practicable without waiting for the results of any other test administered to confirm the result of the rapid test.

Section 7 of this bill requires a provider of health care who attends or assists at the delivery of a child to ensure that a test for the human immunodeficiency virus is performed on the child if the mother has not been tested for the human immunodeficiency virus earlier during her pregnancy or the results of an earlier test are not available, unless a parent or legal guardian of the child objects that performance of the test is contrary to the religious beliefs of the parent or legal guardian.

Section 10 of this bill requires a provider of health care to ensure that, before a woman or newborn child receives any test set forth in this bill, the woman or the parent or legal guardian of the newborn child receives a pamphlet containing information about the human

immunodeficiency virus, the test offered pursuant to this bill, the right to refuse the test and other relevant information.

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

Section 1. Chapter 442 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to ~~9.7~~ 10, inclusive, of this act.

Sec. 2. *As used in sections 2 to ~~9.7~~ 10, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.*

Sec. 3. "Provider of health care" means:

1. A provider of health care as defined in NRS 629.031;
2. A midwife; and
3. An obstetric center licensed pursuant to chapter 449 of NRS.

Sec. 4. "Rapid test for the human immunodeficiency virus" or "rapid test" means a test that:

1. Is used to detect the presence of antibodies to the human immunodeficiency virus; and
2. Provides a result in 30 minutes or less.

Sec. 5. 1. Any test for the human immunodeficiency virus, including, without limitation, a rapid test, that is used to carry out the provisions of sections 2 to ~~9.7~~ 10, inclusive, of this act must be approved by the United States Food and Drug Administration.

2. Each test administered to a woman or performed on a child pursuant to the provisions of sections 2 to ~~9.7~~ 10, inclusive, of this act must be administered or performed in accordance with:

- (a) The provisions of chapter 652 of NRS and any regulations adopted pursuant thereto; and
- (b) The Clinical Laboratory Improvement Amendments of 1988, Public Law No. 100-578, 42 U.S.C. § 263a, if applicable.

Sec. 6. 1. A provider of health care who provides prenatal care to a woman during the first trimester of her pregnancy shall ensure that the woman receives, at her first visit or as soon thereafter as practicable, the routine prenatal screening tests recommended for all pregnant women by the Centers for Disease Control and Prevention, including, without limitation, a screening test for the human immunodeficiency virus, unless the woman chooses not to have a screening test for the human immunodeficiency virus or any of the other prenatal screening tests.

2. A provider of health care who provides prenatal care to a woman during the third trimester of her pregnancy shall ensure that the woman receives, between the 27th and the 36th week of gestation or as soon thereafter as practicable, a test for the human immunodeficiency virus if she:

(a) Has not been tested for the human immunodeficiency virus earlier during her pregnancy or the results of an earlier test are not available; or

(b) Is at high risk for infection with the human immunodeficiency virus,
unless the woman chooses not to have such a test.

3. A provider of health care who attends or assists a woman during childbirth shall:

(a) Ensure that the woman receives a rapid test for the human immunodeficiency virus if she has not been tested for the human immunodeficiency virus earlier during her pregnancy or the results of an earlier test are not available, unless the woman chooses not to have such a test; and

(b) If the rapid test is administered and the result of the rapid test is positive for the presence of antibodies to the human immunodeficiency virus, offer to initiate antiretroviral prophylaxis to reduce the risk of perinatal transmission of the human immunodeficiency virus as soon as practicable after receiving the result of the rapid test and without waiting for the results of any other test administered to confirm the result of the rapid test.

4. For the purposes of this section, a woman is at high risk for infection with the human immunodeficiency virus if she:

(a) Receives health care in:

(1) A jurisdiction that the Centers for Disease Control and Prevention has identified as having an elevated incidence of human immunodeficiency virus or acquired immunodeficiency syndrome among women between the ages of 15 and 45 years; or

(2) A health care facility that, under the standards of the Centers for Disease Control and Prevention, is considered a high-risk clinical setting because prenatal screening has identified at least one pregnant woman who is infected with the human immunodeficiency virus for each 1,000 pregnant women screened at the facility; or

(b) Reports having one or more of the risk factors for infection with the human immunodeficiency virus identified by the Centers for Disease Control and Prevention, including, without limitation:

(1) Engaging in sexual activities with more than one person during the pregnancy without using effective measures to protect against the transmission of the human immunodeficiency virus.

(2) Engaging in sexual activity with another person in exchange for money or other compensation.

(3) Engaging in sexual activity with another person who is infected with the human immunodeficiency virus or who has one or more of the risk factors for infection with the human immunodeficiency virus identified by the Centers for Disease Control and Prevention.

(4) Receiving treatment for a sexually transmitted disease.

(5) Using a controlled substance or a dangerous drug.

(6) Receiving a blood transfusion between 1978 and 1985, inclusive.

5. As used in this section, "dangerous drug" has the meaning ascribed to it in NRS 454.201.

Sec. 7. A provider of health care who attends or assists at the delivery of a child shall, if the mother has not been tested for the human immunodeficiency virus earlier during her pregnancy or the results of an earlier test are not available, ensure that a rapid test for the human immunodeficiency virus is performed on the child unless a parent or legal guardian of the child objects to the performance of the test because it is contrary to the religious beliefs of the parent or legal guardian.

Sec. 8. (Deleted by amendment.)

Sec. 9. (Deleted by amendment.)

Sec. 10. A provider of health care shall ensure that, before a woman or newborn child receives any test that is used to carry out the provisions of sections 2 to 10, inclusive, of this act, the woman or the parent or legal guardian of the newborn child receives a pamphlet of information concerning:

1. The human immunodeficiency virus and acquired immunodeficiency syndrome;

2. The test that will be administered pursuant to sections 2 to 10, inclusive, of this act and the benefits and consequences of the test;

3. Transmission of the human immunodeficiency virus and how to prevent its transmission;

4. If the pamphlet is for a woman being tested pursuant to section 6 of this act, the right of a woman to refuse a test;

5. If the pamphlet is for the parent or legal guardian of a newborn child being tested pursuant to section 7 of this act, the right of the parent or legal guardian to object to a test of a newborn child because it is contrary to the religious beliefs of the parent or legal guardian; and

6. Any other information recommended by the Department or the Centers for Disease Control and Prevention of the United States Department of Health and Human Services that the provider of health care determines useful.

STEVEN A. HORSFORD

JOSEPH J. HECK

VALERIE WIENER

Senate Conference Committee

SUSAN S. GERHARDT

ROSEMARY WOMACK

LYNN STEWART

Assembly Conference Committee

Senator Horsford moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 266.

Remarks by Senator Horsford.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Senate Bill No. 487, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 893 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 34, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions relating to water resources in certain counties. (BDR [S 182])" *48-183*)

"AN ACT relating to water; ~~creating an Advisory Subcommittee of the~~ *providing for the regional management and conservation of water resources in certain portions of* Washoe County; *creating the Western Regional Water* ~~(Planning)~~ *Commission; (requiring) setting forth the powers and duties of the Western Regional Water Commission* ~~[, in conjunction with the Subcommittee, to assess and examine certain matters pertaining to the availability and responsible use of water within Washoe County and to submit a report to the Legislature in connection therewith,]~~; *creating the Northern Nevada Water Planning Commission to advise and assist the Western Regional Water Commission; repealing certain provisions relating to regional planning and management of water in certain counties;* and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing general law provides for regional planning and management of water by a water planning commission in counties whose population is 100,000 or more but less than 400,000 (currently Washoe County). Under that general law, a board of county commissioners is required to adopt a comprehensive plan for the supply of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm water and control of floods and is required to take action by a two-thirds majority. This general law also provides for a water planning commission, which reports to and advises the board of county commissioners concerning issues relating to water resources. (NRS 540A.010-540A.310)

~~[Section 2 of this bill creates an Advisory Subcommittee of the Washoe County Regional Water Planning Commission. The Subcommittee consists of six members, including two Legislators appointed, respectively, by the Majority Leader of the Senate and the Speaker of the Assembly and four members of the general public who are appointed by the four purveyors of water in Washoe County: (1) the South Truckee Meadows General Improvement District; (2) the Sun Valley General Improvement District; (3) the Truckee Meadows Water Authority; and (4) Washoe County.]~~

~~Section 3 of this bill requires the Commission, in conjunction with the Subcommittee, to make assessments, determinations and recommendations regarding several issues pertaining to the availability and responsible use of water within Washoe County.~~

~~Section 4 of this bill requires the Commission, in conjunction with the Subcommittee, to report on the activities carried out pursuant to section 3 and submit that report, accompanied by any recommendations for legislation, to the 75th Session of the Nevada Legislature.] This bill repeals various provisions of that general law and creates by special legislation a new structure for regional planning of water resources in certain portions of Washoe County based on the unique conditions and circumstances existing in those areas. Under the Nevada Constitution, the Legislature may pass a special or local law if the subject matter of the law does not fall within one of certain enumerated categories and a general law cannot be made applicable because of special circumstances and conditions. (Nev. Const. Art. 4, §§ 20, 21) Section 4 of this bill specifies the unique conditions and circumstances in these portions of Washoe County that justify special legislation for the purpose of regional planning and management of water resources.~~

Sections 23 and 25-28 of this bill create the Western Regional Water Commission (Regional Water Commission), which is governed by a Board of Trustees consisting of representatives of various public entities and interests. Sections 36-41 of this bill create the Northern Nevada Water Planning Commission (Water Planning Commission), which reports to and advises the Board of Trustees of the Regional Water Commission.

Section 24 of this bill authorizes the City of Reno, City of Sparks, Washoe County, Sun Valley General Improvement District, South Truckee Meadows General Improvement District and Truckee Meadows Water Authority to provide certain additional power and duties to the Regional Water Commission by cooperative agreement. The cooperative agreement must be entered into before April 1, 2008.

Sections 34-52 of this bill require the development and adoption of a comprehensive plan for the area over which the Regional Water Commission has jurisdiction, which must address the supply of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm water and control of floods. Sections 30-35 of this bill authorize the Board of Trustees to: (1) plan for the implementation of a mechanism for scheduling the delivery of water supplies held by certain water purveyors before April 1, 2008; (2) develop a plan for the establishment of service territories by which those purveyors may provide new water service provided on and after April 1, 2008, if each of the public purveyors agree to the plan; (3) impose a fee for the planning and administration of certain activities; and (4) plan for water conservation by various means.

Section 56 of this bill creates a temporary statutory legislative committee to oversee the programs and activities of the Regional Water Commission.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Delete existing sections 1 through 6 of this bill and replace with the following new sections 1 through 57:

Section 1. NRS 533.550 is hereby amended to read as follows:

533.550 1. Notwithstanding any other provision of law, a public body shall not sell or lease for a term of more than 5 years a water right owned by the public body unless the public body, after holding at least one public hearing at which public comment was solicited, has issued written findings that:

(a) The sale or lease of the water right is consistent with the prudent, long-term management of the water resources within the jurisdiction of the public body;

(b) The sale or lease of the water right will not deprive residents and businesses within the jurisdiction of the public body of reasonable access to water resources for growth and development;

(c) The sale or lease of the water right is a reasonable means of promoting development and use of the water right; and

(d) The means by which the water right is sold or leased reasonably ensures that the public body will receive the actual value of the water right or comparable economic benefits.

2. As used in this section, "public body" means the State or a county, city, town, school district or any public agency of this State or its political subdivisions. The term does not include a water district organized pursuant to a special act of the Legislature or a water authority organized as a political subdivision created by a cooperative agreement ~~(-)~~ or created by a special act of the Legislature.

Sec. 2. NRS 540A.010 is hereby amended to read as follows:

540A.010 As used in this chapter, unless the context otherwise requires:

1. "Board" means the board of county commissioners.

2. "Commission" means the ~~[water planning commission]~~ Northern Nevada Water Planning Commission created by ~~[NRS 540A.080.]~~ section 36 of this Act.

3. "Comprehensive plan" or "plan" means the plan developed ~~[pursuant to NRS 540A.120.]~~ by a regional water commission created by special act.

4. "Division" means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

Sec. 3. Sections 3 to 53, inclusive, of this Act may be cited as the Western Regional Water Commission Act.

Sec. 4. 1. The Legislature hereby finds that:

(a) The provisions of section 22 of this Act describe a hydrologically unique area which is distinguished by the presence of Lake Tahoe and the Truckee River, a water system which is governed by a unique combination of state and federal law, by federal decree and by the Truckee River Operating Agreement; and

(b) The unique hydrological conditions of the area described in section 22 of this Act and the complex legal framework governing the use of water within that area are special circumstances and conditions to which a general law cannot be made applicable and necessitate this special Act which provides for a special structure for the coordinated planning and management of water resources in that area.

2. It is hereby declared as a matter of legislative determination that:

(a) The organization of the Western Regional Water Commission having the purposes, powers, rights, privileges and immunities provided in this Act will serve a public use and will promote the general welfare by facilitating unified and cooperative efforts to secure and develop additional water supplies, maintain and cooperatively establish policies for managing existing water resources and water supplies, provide for integrated regional water resources and management of water supplies, provide for integration of efforts to manage storm water, provide for protection of watersheds and provide for regional conservation efforts, subject to and in accordance with the Truckee River Operating Agreement.

(b) The planning for the acquisition, development, management and conservation of regional water supplies and any associated facilities by the Regional Water Commission is for a public and governmental purpose and a matter of public necessity.

(c) The geographical boundaries of the Regional Water Commission are within the area described in section 22 of this Act.

(d) The Regional Water Commission shall, in carrying out the provisions of this Act:

(1) Make full use of any available resources for sustainability, economic viability and maintenance of environmental values;

(2) Communicate the decisions and policies of the Regional Water Commission in an effective manner;

(3) Provide for a centralized system of decision making;

(4) Facilitate the effective coordination of land use and resource planning;

(5) Facilitate the effective and efficient planning, management and operation of facilities;
and

(6) Plan for the effective stewardship of water resources, including, without limitation, ensuring the quantity and quality of surface water and groundwater and the control point and nonpoint sources of pollution.

(e) For the accomplishment of the purposes stated in this subsection, the provisions of this Act shall be broadly construed.

Sec. 5. As used in this Act, unless the context otherwise requires, the words and terms defined in sections 6 to 21, inclusive, of this Act have the meanings ascribed to them in those sections.

Sec. 6. "Board of Trustees" or "Board" means the Board of Trustees of the Regional Water Commission.

Sec. 7. "City of Reno" means the municipal corporation in Washoe County, created and existing pursuant to the provisions of chapter 662, Statutes of Nevada 1971, as amended.

Sec. 8. "City of Sparks" means the municipal corporation in Washoe County, created and existing pursuant to the provisions of chapter 470, Statutes of Nevada 1975, as amended.

Sec. 9. "Comprehensive Plan" means the plan developed pursuant to sections 34 to 52, inclusive, of this Act.

Sec. 10. "Division" means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

Sec. 11. "Facilities" means any facility necessary for the beneficial use of water supplies, including, without limitation, any diversion, dam, reservoir, other water storage facility for the water supplies, water conveyance, well, pump, treatment facility, storage tank, pipe, turnout and any other facility required to provide water services or to provide for the conservation of water or enhanced control of floods.

Sec. 12. "Planning area" means the area described in section 22 of this Act.

Sec. 13. "Public purveyor" means:

1. The Truckee Meadows Water Authority, or its successor;

2. The Washoe County Department of Water Resources, or its successor;

3. The South Truckee Meadows General Improvement District, or its successor;

4. The Sun Valley General Improvement District, or its successor; or
5. Any other governmental entity engaged in the retail delivery of potable water in the planning area.

Sec. 14. "Regional Water Commission" means the Western Regional Water Commission created pursuant to section 23 of this Act.

Sec. 15. "Truckee Meadows Water Authority" means the political subdivision of the State of Nevada created by a cooperative agreement effective December 4, 2000, pursuant to the provisions of NRS 277.080 to 277.180, inclusive.

Sec. 16. "Truckee River Operating Agreement" means all agreements relating to the implementation of Public Law 101-618, 104 Stat. 3324, as amended, including, without limitation, the Operating Agreement referenced in section 205(a) of Public Law 101-618, 104 Stat. 3324, as amended, whether entered into before, on or after April 1, 2008, to which the Truckee Meadows Water Authority, its predecessor or its successor, if any, is a party.

Sec. 17. "Washoe County" means the county created by and described in NRS 243.340.

Sec. 18. "Water Planning Commission" means the Northern Nevada Water Planning Commission created pursuant to section 36 of this Act.

Sec. 19. "Water Quality Settlement Agreement" means the Agreement entered into on October 10, 1996, by the City of Reno, the City of Sparks, Washoe County, the United States Department of the Interior, the United States Department of Justice, the United States Environmental Protection Agency, the Division and the Pyramid Lake Paiute Tribe, and any agreements entered into to implement that Agreement including, without limitation, any applicable provisions of the Truckee River Operating Agreement.

Sec. 20. "Water right" means any entitlement to the beneficial use of surface water or groundwater supplies, including, without limitation, an entitlement that exists by contract, by interest in real property, by decree or by rights granted or recognized by the State of Nevada, the State of California or any other governmental agency.

Sec. 21. "Water supplies" means surface water, groundwater, wastewater or effluent capable of being put to beneficial use.

Sec. 22. 1. The planning area in which plans for the use, management and conservation of water are to be made, pursuant to this Act, is the entire area within the boundaries of Washoe County except:

(a) Any land within the region defined by NRS 277.200, the Tahoe Regional Planning Compact;

(b) Land located within any Indian reservation or Indian colony which is held in trust by the United States;

(c) Land located within the Gerlach General Improvement District or its successor created pursuant to chapter 318 of NRS;

(d) Land located within the following administrative groundwater basins established by the United States Geological Survey and the Division of Water Resources of the State Department of Conservation and Natural Resources:

(1) Basin 22 (San Emidio Desert);

(2) Basin 23 (Granite Basin); and

(3) Basin 24 (Hualapai Flat); and

(e) Any land excluded by the Board pursuant to subsection 2 and not otherwise included pursuant to subsection 3.

2. The Board may exclude from the planning area any land which it determines is unsuitable for inclusion because of its remoteness from the water supplies which are the subject of the Comprehensive Plan or because it lies within a separate hydrologic basin neither affecting nor affected by conditions within the remainder of the planning area.

3. The Board may include within the planning area any land otherwise excluded pursuant to subsection 2 if it finds that the land requires alleviation of the effect of flooding or drainage of storm waters or requires another benefit from planning or management performed in the planning area.

Sec. 23. 1. The Western Regional Water Commission is hereby created. The Regional Water Commission is a body corporate and politic and a municipal corporation.

2. The property and revenues of the Regional Water Commission, any interest of any creditor therein and any possessory interest in or right to use that property which the Regional Water Commission may grant are exempt from all state, county and municipal taxation.

Sec. 24. By entering into a cooperative agreement pursuant to NRS 277.080 to 277.180, inclusive, the City of Reno, City of Sparks, Washoe County, Sun Valley General Improvement District, South Truckee Meadows General Improvement District and Truckee Meadows Water Authority may jointly authorize the Regional Water Commission to exercise such powers, privileges or authority that each of those entities may individually exercise pursuant to the laws of this State which are not inconsistent with the provisions of this Act.

Sec. 25. 1. The Regional Water Commission must be directed and governed by a Board of Trustees composed of the following nine members appointed pursuant to this section:

(a) Two members of the City Council of the City of Reno;

(b) Two members of the City Council of the City of Sparks;

(c) Two members of the Board of County Commissioners of Washoe County;

(d) One member representing the Truckee Meadows Water Reclamation Facility or its successor;

(e) One member designated by the Board of Trustees of the South Truckee Meadows General Improvement District or its successor; and

(f) One member of the Board of Trustees of the Sun Valley General Improvement District or its successor.

2. The City Council of the City of Reno, the City Council of the City of Sparks and the Board of County Commissioners of Washoe County shall each appoint one trustee from their membership for an initial term of 2 years.

3. The Board of Directors of the Truckee Meadows Water Authority or its successor shall appoint from its membership, for initial terms of 3 years:

(a) One trustee who is a member of the City Council of the City of Reno;

(b) One trustee who is a member of the City Council of the City of Sparks; and

(c) One trustee who is a member of the Board of County Commissioners of Washoe County.

➤ The trustees appointed pursuant to this subsection must be different persons than those appointed pursuant to subsection 2.

4. The Board of Trustees of the Sun Valley General Improvement District or its successor and the Board of Trustees of the South Truckee Meadows General Improvement District or its successor shall each appoint one trustee from its membership for an initial term of 3 years.

5. The owners of the Truckee Meadows Water Reclamation Facility or its successor shall jointly appoint one trustee for an initial term of 2 years.

6. After the initial terms, each trustee who is appointed to the Board serves for a term of 2 years. A trustee may be reappointed.

7. All trustees must be elected officials. No trustee may serve beyond his term of office.

8. The position of a trustee must be considered vacated upon his loss of any of the qualifications required for his appointment, and in such event, the appointing authority shall appoint a successor to fill the remainder of the unexpired term.

Sec. 26. Each member of the Board shall file with the County Clerk of Washoe County:

1. His oath of office.

2. A corporate surety bond furnished at the Regional Water Commission's expense, in an amount not to exceed \$5,000, and conditioned for the faithful performance of his duties as a member of the Board.

Sec. 27. 1. The Board shall elect one of its members as Chairman and one of its members as Vice Chairman, and shall elect a Secretary and a Treasurer, who may be members of the Board. The Secretary and the Treasurer may be the same person. The terms of the officers expire on December 31 of each year.

2. The Secretary shall keep audio recordings or transcripts of all meetings of the Board and, in a well-bound book, a record of all the proceedings of the Board, minutes of all meetings, certificates, contracts, bonds given by employees and all other acts of the Board. Except as otherwise provided in NRS 241.035, the minute book, audio recordings, transcripts and records must be open to the inspection of all interested persons, at all reasonable times and places.

3. The Treasurer shall keep, in permanent records, strict and accurate accounts of all money received by and disbursed for and on behalf of the Board and the Regional Water Commission.

Sec. 28. 1. The Board shall meet regularly at a time and in a place to be designated by the Board. The Board shall provide for the calling of a special meeting when action is required before a regular meeting would occur.

2. Except as otherwise provided in this subsection, a majority of the members of the Board constitutes a quorum at any meeting. Each motion and resolution of the Board must be adopted by at least a majority of the members present at the meeting.

Sec. 29. The Regional Water Commission is a public employer within the meaning of NRS 286.070, and the provisions of chapter 286 of NRS apply to the Regional Water Commission and its employees.

Sec. 30. The Regional Water Commission may do all things necessary to accomplish the purposes of this Act. The Regional Water Commission has perpetual succession and, except as otherwise provided in sections 33 of this Act, has the following powers to:

1. Sue and be sued.

2. Enter into agreements with Washoe County, the Cities of Reno and Sparks, and any public purveyor.

3. Prepare, adopt, update and oversee the implementation of the Comprehensive Plan pursuant to sections 34 to 52, inclusive, of this Act.

4. Plan for the implementation of a mechanism for:

(a) Scheduling the delivery of water supplies held by public purveyors to maximize the yield of regional water supplies and facilitate the cooperative administration of regional water conveyance and treatment facilities for the benefit of the public purveyors.

(b) Maximizing conjunctive use by the public purveyors. As used in this paragraph, "conjunctive use" means the combined use of surface water and groundwater systems to optimize resource use.

5. Prepare, adopt and update a water conservation plan for the use of municipal, industrial and domestic water supplies within the planning area, and make recommendations for water conservation agreements among water purveyors and local governmental entities.

6. Study and recommend to the Board of County Commissioners of Washoe County, the City Council of the City of Reno and the City Council of the City of Sparks ordinances for the implementation of a water conservation plan adopted pursuant to subsection 5 and the Comprehensive Plan.

7. Contract with public purveyors or any other public entity for the provision of services to or by the Regional Water Commission and, in the performance of its functions, use the officers, agents, employees, services, facilities, records and equipment of any public purveyor, Washoe County, the City of Reno or the City of Sparks, with the consent of the respective public purveyor or governmental entity, and subject to such terms and conditions as may be agreed upon.

8. Employ or contract with such persons as it deems necessary and hire and retain officers, agents and employees, including fiscal advisers, engineers, attorneys or other professional or specialized personnel.

9. Seek, apply for and otherwise solicit and receive from any source, public or private, such contributions, gifts, grants, devises and bequests of money and personal property, or any combination thereof, as the Regional Water Commission determines is necessary or convenient for the exercise of any of its powers.

10. Participate with relevant agencies of the United States, the State of Nevada and other entities on issues concerning the supply of water.

11. Adopt such rules and regulations for the conduct of the affairs of the Regional Water Commission or of the Board as the Board may deem necessary or desirable.

12. Perform such other functions conferred on the Regional Water Commission by the provisions of this Act.

Sec. 31. The Board may develop a plan for the establishment of service territories within the planning area in which the public purveyors and all systems for the supply of water which are controlled or operated by the public purveyors may, on and after April 1, 2008, provide new retail or wholesale water services to new customers. A plan developed pursuant to this section

does not apply to any public purveyor unless each public purveyor agrees to the provisions of the plan. The provisions of this section do not affect the ability of public purveyors to continue to provide retail and wholesale water services to customers who received that type of service before April 1, 2008, or pursuant to agreements for water service existing before April 1, 2008. In developing the plan, the Board shall:

1. Seek to ensure the coordination of the delivery of water at the lowest reasonable cost, considering all the facilities, improvement and operations required to provide that water as measured by the net present value of those facilities, improvements and operations existing at the time of the determination, generally using current dollars;

2. Seek to ensure that existing or future customers are not affected inequitably;

3. Seek to provide for the most effective management, development and integration of systems for the efficient use of water supplies and associated facilities; and

4. Consider:

(a) Any specific planning conducted by public purveyors before April 1, 2008, for existing or new customers;

(b) The topography of the service territories and the readiness and ability of public purveyors to serve customers with existing facilities;

(c) Any policies for land use that affect the service territories; and

(d) The rate of growth within the service territories projected over a reasonable period.

Sec. 32. The Board has and may exercise all rights and powers necessary or incidental to or implied from the specific powers granted in this Act. Such specific powers are not a limitation upon any power necessary or appropriate to carry out the purposes and intent of this Act.

Sec. 33. Notwithstanding the provisions of this Act, the Truckee Meadows Water Authority or its successor is and shall remain the entity with the sole and exclusive power and authority to negotiate and execute and to implement its obligations under that Agreement, as the successor in interest to Sierra Pacific Power Company. All water supplies provided or available to the Truckee Meadows Water Authority or its successor pursuant to the Truckee River Operating Agreement must be considered as acquired before April 1, 2008, and must be managed, scheduled and operated in accordance with that Agreement. Nothing in this Act alters the rights and obligations of the Water Quality Settlement Agreement, and all water supplies must be managed, scheduled and operated in accordance with the Water Quality Settlement Agreement.

Sec. 34. The Board may, upon the recommendation of the Water Planning Commission:

1. Adopt and revise the Comprehensive Plan;

2. Make recommendations concerning methods for conserving existing water supplies which are consistent with any other plans required by law;

3. Make recommendations concerning methods of collecting and treating sewage to protect and conserve water supplies;

4. Provide information to members of the public regarding present and potential uses of water; and

5. Make recommendations concerning the management and use of water within the planning area to:

(a) The governing body and the Planning Commission of Washoe County and the Cities of Reno and Sparks;

(b) The Governing Board for Regional Planning and the Regional Planning Commission established in Washoe County pursuant to NRS 278.0264 and 278.0262, respectively;

(c) The State Engineer;

(d) The Federal Government; and

(e) Such other entities as the Board deems appropriate.

Sec. 35. 1. To fund the planning and administration required by this Act and the implementation of the Comprehensive Plan, the Board may impose a fee at a rate not to exceed 1.5 percent of the amount otherwise billed, to be collected by each public purveyor and supplier of water from customers within the planning area. If the Board determines to impose such a fee, the Board must impose the fee by resolution after holding a hearing.

2. A public purveyor or supplier of water must state separately on its billings to customers the amount charged as a result of any fee imposed pursuant to subsection 1.

Sec. 36. 1. The Northern Nevada Water Planning Commission is hereby created in the planning area. The Water Planning Commission must consist of the following voting members who are residents of Nevada:

(a) The Director of Public Works for the City of Reno, or his designee;
(b) The Director of Public Works for the City of Sparks, or his designee;
(c) The Director of Water Resources for Washoe County, or his designee;
(d) A member of the South Truckee Meadows General Improvement District or its successor;
(e) The General Manager of the Sun Valley General Improvement District or its successor,
or his designee;

(f) The General Manager of the Truckee Meadows Water Authority or its successor, or his designee;

(g) The General Manager of the Truckee Meadows Wastewater Reclamation Facility or its successor, or his designee;

(h) One member appointed by the governing body of the Indian reservation which is the largest in area in the planning area, if the planning area contains an Indian reservation, or, if there is not an Indian reservation located within the planning area or the governing body of the reservation does not appoint a member, one member appointed by the Board to represent the public at large;

(i) One member of the public at large appointed by the Board to represent environmental, biological, conservation or public concerns;

(j) One member appointed by the Board to represent owners of domestic wells;

(k) One member appointed by the Board of Supervisors of the Washoe Storey Conservation District or its successor; and

(l) Such additional members with expertise in any area that the Board determines is necessary, appointed by the Board.

↪ The terms of the ex officio members described in paragraphs (a) to (g), inclusive, are concurrent with the employment of those members in the respective positions specified in those paragraphs. The members appointed pursuant to paragraphs (h) to (l), inclusive, serve initial terms of 2 years.

2. After the initial terms, the term of office of each member appointed pursuant to paragraphs (h) to (l), inclusive, of subsection 1 is 3 years. A member may be reappointed. A vacancy must be filled for the unexpired term by the appointing entity.

Sec. 37. In addition to the voting members, the Water Planning Commission includes the following nonvoting members:

1. One member appointed by the Public Utilities Commission of Nevada;

2. One member appointed by the Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General;

3. One member appointed by the Administrator of the Division;

4. One member appointed by the State Engineer;

5. One member appointed by the Chief of the Water Planning Section of the Division of Water Resources of the State Department of Conservation and Natural Resources;

6. One member appointed by the board of directors of the water conservancy district which is largest in area in the planning area;

7. One member appointed by the county or district board of health;

8. One member of the public at large appointed by the affirmative vote of a majority of the voting members; and

9. Additional members with expertise in an area that the majority of the voting members determines is necessary, appointed by the affirmative vote of a majority of the voting members.

Sec. 38. The members of the Water Planning Commission appointed pursuant to paragraphs (h) to (l), inclusive, of subsection 1 of section 36 of this Act or any alternative designees appointed pursuant to paragraphs (a) to (g), inclusive, of subsection 1 of section 36 of this Act may not hold any elective governmental office but may be engaged or employed in private enterprise or be employees of state or local government, and each member must be qualified pursuant to at least one of the following subsections:

1. A professional engineer licensed pursuant to the provisions of chapter 625 of NRS;

2. Experienced in comprehensive planning, natural resources or environmental protection;

3. A specialist in hydrologic science;
4. Experienced in law, management or planning related to water;
5. Experienced in municipal finance or resource economics;
6. Experienced in construction, planning or operation of facilities or systems for supplying or treating water, for collecting or treating sewage, for drainage of storm water or for control of floods; or

7. Knowledgeable in the areas of water conservation, biology, natural systems, water quality and water management.

Sec. 39. The Water Planning Commission shall establish a schedule for the selection of its Chairman for a term of 1 year, in rotation, from among the members.

Sec. 40. 1. The Water Planning Commission shall meet at the call of the Chairman or any three members. The Water Planning Commission shall establish a schedule of regular meetings and provide for the calling of a special meeting when action is required before a regular meeting would occur.

2. A quorum consists of a majority of the members. The affirmative vote of a majority of the members present is required to take action, unless a larger proportion is required by this Act for a particular action.

3. A member of the Water Planning Commission is not entitled to compensation for his services as a member.

Sec. 41. 1. The Water Planning Commission shall develop, and as necessary recommend revisions to, a Comprehensive Plan for the planning area covering the supply of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm waters and control of floods. The initial Comprehensive Plan must be developed on or before January 1, 2011. The provisions of the comprehensive plan developed and revised pursuant to the former provisions of NRS 540A.130 before April 1, 2008, remain in effect until the Board adopts the initial Comprehensive Plan.

2. The Comprehensive Plan must consist of written text, appropriate maps and goals and policies to deal with current and future problems affecting the planning area as a whole with respect to the subjects of the Comprehensive Plan set forth in subsection 1. In developing the Comprehensive Plan, the Water Planning Commission shall consider any water resource plan developed by a public purveyor and, to the extent feasible and consistent with the objectives of the Regional Water Commission, seek to incorporate such a plan.

3. The Comprehensive Plan must:

(a) Describe the problems and needs of the planning area relating to the subjects of the Comprehensive Plan set forth in subsection 1;

(b) Identify the providers of services relating to the subjects of the Comprehensive Plan within the planning area and the area within which each provides service, including service territories of public utilities and public purveyors;

(c) Identify alternatives to reduce demand or increase water supply;

(d) Identify and provide for existing and future sources of water needed to meet the present or future needs of the planning area, including, without limitation, existing and future demand for water within each public purveyor's service territory;

(e) Define priorities and general location for additional major facilities needed to provide services relating to the subjects of the Comprehensive Plan set forth in subsection 1;

(f) Describe programs to mitigate drought, achieve conservation of water, protect wellheads and otherwise manage water;

(g) Provide for the development, acquisition and stabilization of surface water and groundwater supply in the planning area, including policies regarding dedication of privately held water resources by applicants for water service;

(h) Provide for the oversight of, protection of, regional management of and maximization of efficient conjunctive use of, the supply of surface water and groundwater and major water resource facilities in the planning area, including use of reclaimed water and recharge and recovery or underground storage and recovery of water, and the scheduling of the delivery of water supplies held by public purveyors;

(i) Identify and provide for the extent to which reuse or effluent water is to be put to beneficial use or discharged, directly or indirectly, into the Truckee River;

(j) Provide for the regional conservation and prevention of long-term depletion of surface water and groundwater resources in the planning area in support of the Comprehensive Plan;

(k) Provide for adequate supplies of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm waters and control of floods within the planning area;

(l) Identify and provide for the peaking capacity required for delivery of water supplies to each public purveyor, if applicable, and the means by which such requirements will be met;

(m) Include a water budget identifying water supplies available to each public purveyor from all sources; and

(n) Seek to make full use of any unused capacity of facilities that are owned by public purveyors, if such use is otherwise economical and efficient.

4. The Water Planning Commission shall make recommendations to the Board for the adoption of, and any revisions to, the Comprehensive Plan.

Sec. 42. The Comprehensive Plan must include the following elements:

1. Quality of surface water, which must include, without limitation:

(a) Compliance with standards of quality for bodies of water;

(b) Locations and capacities of plants to treat wastewater;

(c) Intended quantity and quality of discharge from those plants and its reuse, service areas and interceptors; and

(d) Programs to attain protection from pollution by both concentrated and diffuse sources.

2. Quality of groundwater, which must include, without limitation:

(a) Compliance with standards of quality for hydrographic basins and septic tanks;

(b) Capacities for withdrawal of water from hydrographic basins;

(c) Programs to protect wellheads;

(d) Programs to clean up contaminated groundwater from hydrographic basins; and

(e) Programs to attain protection from pollution by both concentrated and diffuse sources.

3. Supply of surface water, which must include, without limitation:

(a) Existing and planned sources of surface water;

(b) Existing and planned uses for all surface water, including municipal and industrial uses, requirements for return flow, reserves for drought and future growth, uses to improve the quality of water, uses to provide habitat and uses in conjunction with underground water;

(c) Major facilities to convey and store surface water;

(d) Standards, service areas, rates of flow and reserves for storage; and

(e) Facilities to treat surface water.

4. Supply of underground water, which must include, without limitation:

(a) Existing and planned sources of underground water;

(b) Existing and planned uses for all underground water, including municipal and industrial uses, maintenance of minimum groundwater level and the need for recharge, reserves for drought and future growth, uses to improve the quality of water, uses to provide habitat and uses in conjunction with surface water;

(c) Major facilities to extract and convey underground water;

(d) Compliance with standards for treated and nontreated water, service areas, rates of flow and reserves for storage; and

(e) Facilities to treat and store underground water.

5. Control of floods and drainage of storm water, as it relates to surface water, which must include, without limitation:

(a) Minimum standards of design for controlling floods in the planning area;

(b) Nonstructural alternatives and standards for facilities to control floods in the planning area and single drainage basins;

(c) Regional facilities to control floods; and

(d) Generalized facilities and standards of design for single drainage basins.

6. Control of floods and drainage of storm water, as it relates to underground water, which must include, without limitation:

(a) Groundwater level and capacity for additional storage of water underground as a means of mitigating floods;

(b) Location and capacities of major facilities for controlling floods which utilize storage of water underground to mitigate floods; and

(c) Standards of design for devices to infiltrate storm water and other minor facilities for controlling floods which utilize storage of water underground to mitigate floods.

7. Cost and financing, which must include an estimate of the cost of each major facility, source of water or other requirement of the Comprehensive Plan and an analysis of alternatives for financing and funding the facility, source or other requirement, or alternatives thereto, as well as the effect of the funding alternatives on other facilities included in the Comprehensive Plan. The estimate of cost must state the financial impact on persons within the planning area, including, without limitation, all direct and indirect costs of connecting to a system for supplying water, if applicable.

8. Recommendations for developing and implementing consistent policies of, and among, public purveyors concerning regional drought reserve standards, developer costs, impact fees, dedication of water rights and standards for the drainage of water.

9. Evaluation and recommendations regarding the consolidation of public purveyors in the planning area, which must include costs and benefits of consolidation, the feasibility of various consolidation options, analysis of water supplies, operations, facilities, human resources, assets, liabilities, bond covenants, and legal and financial impediments to consolidation and methods, if any, for addressing any such impediments.

Sec. 43. 1. The Comprehensive Plan must be consistent with and carry out the provisions of the Comprehensive Regional Plan adopted by the Governing Board for Regional Planning in Washoe County pursuant to NRS 278.0276 and the master plans and any other plans for the use of land which are adopted by governmental entities within the planning area.

2. The Comprehensive Plan must be consistent with and carry out or support the carrying out of all aspects of the Truckee River Operating Agreement and Water Quality Settlement Agreement.

3. The Comprehensive Plan must be consistent with the state water plan that is in effect at the time that the Comprehensive Plan is adopted.

Sec. 44. In developing the Comprehensive Plan, the Water Planning Commission shall:

1. Receive and consider information from public purveyors, public utilities and other entities supplying municipal and industrial water within the planning area;

2. Receive and consider information from entities providing sanitary sewerage, treatment of sewage, drainage of storm water and control of floods within the planning area;

3. Receive and consider information from entities concerned with water quality within the planning area;

4. Review and consider any plan or recommendation of the State Engineer concerning the development, conservation and use of water resources, existing water conservation plans, the regional plan and any master plan that has been adopted pursuant to the provisions of chapter 278 of NRS and any similar plan of a local government which applies to any area in the planning area, and may seek and consider the advice of each local planning commission and any other affected entity;

5. Coordinate and make consistent the elements of the Comprehensive Plan set forth in section 42 of this Act;

6. Consider existing applicable laws;

7. Recognize and coordinate the needs of the incorporated areas of the planning area with the needs of the unincorporated areas of the planning area; and

8. Receive and consider information from other interested persons.

Sec. 45. 1. Before submitting the Comprehensive Plan to the Board, the Water Planning Commission shall hold at least one public hearing on the Comprehensive Plan within the planning area.

2. Before acting on a proposed amendment to the adopted Comprehensive Plan, the Water Planning Commission shall hold at least one public hearing on the proposed amendment at a location in the planning area relevant to the proposed amendment.

3. Notice of the time and place of each hearing must be given by publication in a newspaper of general circulation in the planning area at least 10 days before the day of the hearing. If there

is more than one newspaper of general circulation in the planning area, notice must be given by publication in at least two such newspapers.

4. The decision to submit the proposed Comprehensive Plan or any amendment to the adopted Comprehensive Plan to the Board must be made by resolution of the Commission carried by the affirmative votes of a majority of the total voting members of the Water Planning Commission. The resolution must refer expressly to the text, maps and descriptive or other matter intended by the Water Planning Commission to constitute the Comprehensive Plan or an amendment thereto.

Sec. 46. 1. An attested copy of the proposed Comprehensive Plan or an amendment thereto must be submitted by the Water Planning Commission to the Board.

2. Before taking any action on the proposed Comprehensive Plan or an amendment thereto, the Board shall convene a public hearing.

3. Notice of the hearing must be given at least 10 days before the date of the hearing. The notice must include, without limitation:

(a) A statement of the time, place and nature of the hearing;

(b) A statement of the legal authority under which the hearing is to be held; and

(c) A reference to the particular sections of any applicable laws.

4. Not less than 30 days before the hearing, the Board shall cause to be placed a copy of the proposed Comprehensive Plan or amendment thereto in the office of the County Clerk of Washoe County and publish notice that the Comprehensive Plan or amendment thereto is available for public inspection.

5. Each notice required by this section must be published in a newspaper of general circulation in the planning area. If there is more than one newspaper of general circulation in the planning area, notice must be given by publication in at least two such newspapers. The notice must be a display advertisement not less than 3 by 5 inches in size.

Sec. 47. 1. The Board shall not change or add to the proposed Comprehensive Plan or an amendment thereto as submitted by the Water Planning Commission until it has submitted the substance of the proposed change or addition to the Water Planning Commission in writing with its reasons for the change or addition.

2. The Water Planning Commission shall, if it agrees to the change or addition, revise the submitted Comprehensive Plan or amendment thereto accordingly. If the Water Planning Commission does not agree, it shall report to the Board in writing its reason for disagreeing and any alternative proposal.

3. In either case, the Water Planning Commission shall present its revision or report to the Board within 40 days after the Board's change or amendment is submitted to the Water Planning Commission.

4. If the Water Planning Commission does not agree with the proposed change or addition and the Board refuses to rescind its proposal or to accept an alternative proposal of the Water Planning Commission, the Water Planning Commission shall revise the originally submitted Comprehensive Plan or amendment thereto to incorporate the change or addition proposed by the Board.

Sec. 48. 1. After adoption by the Board, the Comprehensive Plan or an amendment thereto must be submitted for review to the Regional Planning Commission in Washoe County established pursuant to NRS 278.0262. The Regional Planning Commission shall review the Comprehensive Plan or amendment thereto only for consistency with the Comprehensive Regional Plan adopted pursuant to NRS 278.0276 and the master plans and any other plans for the use of land which are adopted by local governmental entities within the planning area. The Regional Planning Commission shall review the Comprehensive Plan or amendment thereto at one or more public hearings. Notice of the time and place of a hearing must be given in accordance with NRS 278.0276.

2. If the Regional Planning Commission fails to make a determination within 40 days after the submission of the Comprehensive Plan or amendment thereto, the Comprehensive Plan or amendment thereto shall be deemed to be consistent with the Comprehensive Regional Plan.

3. If the Regional Planning Commission determines that the Comprehensive Plan or amendment thereto is not consistent with the Comprehensive Regional Plan, it shall state its reasons why the Comprehensive Plan or amendment thereto is not consistent. Unless an appeal

is filed pursuant to section 49 of this Act, the Water Planning Commission and the Board shall respectively develop and adopt, in accordance with sections 44 to 47, inclusive, of this Act, proposed revisions to the Comprehensive Plan or amendment thereto, and the Board shall resubmit the revised Comprehensive Plan or amendment thereto to the Regional Planning Commission.

Sec. 49. 1. An affected entity that disagrees with the reasons given by the Regional Planning Commission for its determination of consistency or inconsistency pursuant to section 48 of this Act may file an appeal with the Governing Board for Regional Planning in Washoe County not later than 10 days after the determination of consistency or inconsistency. As used in this subsection, "affected entity" means Washoe County, the City of Reno, the City of Sparks or any other governmental entity or public purveyor or a public utility providing services relating to the subject matter of the Comprehensive Plan within the planning area.

2. Within 45 days after its receipt of an appeal, the Governing Board for Regional Planning shall consider the appeal and issue its decision. If the decision of the Governing Board for Regional Planning is that the Comprehensive Plan or amendment thereto is not consistent with the Comprehensive Regional Plan, it shall state its reasons why the Comprehensive Plan or amendment thereto is not consistent. The Water Planning Commission and the Board shall then respectively develop and adopt, in accordance with sections 44 to 47, inclusive, of this Act, proposed revisions to the Comprehensive Plan or amendment thereto, and the Board shall resubmit the revised Comprehensive Plan or amendment thereto to the Regional Planning Commission for review.

Sec. 50. The adopted Comprehensive Plan must be reviewed by the Water Planning Commission on a schedule to be established by the Board, which must at least provide for review of the Comprehensive Plan within 5 years after its adoption and at least every 5 years thereafter. After each review, the Water Planning Commission shall submit to the Board any proposed amendment to the Comprehensive Plan or report that there are no amendments.

Sec. 51. 1. Except as otherwise provided in subsection 2, on and after the date the initial Comprehensive Plan is finally approved, no facility intended to provide a service relating to a subject of the Comprehensive Plan within the planning area may be constructed, if the facility is of such a kind or size as to affect the working of the Comprehensive Plan as distinct from providing normal service to customers, unless it is included in the Comprehensive Plan or has been reviewed and approved as provided in subsection 3.

2. The Comprehensive Plan may allow for the construction of facilities not included within the Comprehensive Plan in order to meet an emergency as defined in the Comprehensive Plan.

3. A proposal to construct a facility described in subsection 1 within the planning area must be submitted to the Water Planning Commission for review and recommendation to the Board concerning the conformance of the proposal with the Comprehensive Plan. The review must include an evaluation of stranded costs, the need for the facility within the planning area and the impact that construction of the facility will have on any potential consolidation of public purveyors. If the Water Planning Commission fails to make such a recommendation within 30 days after the proposal is submitted to it, the Water Planning Commission shall be deemed to have made a recommendation that the proposal conforms to the Comprehensive Plan. The Board shall consider the recommendation of the Water Planning Commission and approve or disapprove the proposal as conforming to the Comprehensive Plan. Any disapproval must be accompanied by recommended actions to be taken to make the proposal conform to the Comprehensive Plan. The Water Planning Commission and the Board shall limit their review to the substance and content of the Comprehensive Plan and shall not consider the merits or deficiencies of a proposal in a manner other than is necessary to enable them to make a determination concerning conformance with the Comprehensive Plan.

4. The Board shall provide, by resolution after holding a hearing, for the Water Planning Commission or its staff to make final decisions concerning the conformance of classes of proposed facilities to the Comprehensive Plan. A resolution adopted pursuant to this section must provide an opportunity for the applicant or a protestant to appeal from a decision of the Water Planning Commission or its staff to the Board.

Sec. 52. Any water right or source of water belonging to a governmental entity within the planning area must be used in accordance with the Comprehensive Plan.

Sec. 53. The provisions of this Act do not supersede the authority granted by law to the State Engineer, the State Environmental Commission and the State Department of Conservation and Natural Resources.

Sec. 54. NRS 540A.060, 540A.070, 540A.080, 540A.090, 540A.100, 540A.110, 540A.120, 540A.130, 540A.140, 540A.150, 540A.160, 540A.170, 540A.180, 540A.190, 540A.200, 540A.210, 540A.220, 540A.230, 540A.290, 540A.300 and 540A.310 are hereby repealed.

Sec. 55. The fee authorized pursuant to NRS 540A.070 must remain in effect and be collected by Washoe County and transferred to the Western Regional Water Commission, created pursuant to section 23 of this act, until such time as the Board of Trustees of the Regional Water Commission adopts a resolution pursuant to section 35 of this act imposing a new fee.

Sec. 56. 1. There is hereby created the Legislative Committee to Oversee the Western Regional Water Commission created pursuant to section 23 of this act. The Committee must:

(a) Consist of six Legislators as follows:

(1) One member of the Senate appointed by the Chairman of the Senate Committee on Natural Resources;

(2) One member of the Assembly appointed by the Chairman of the Assembly Committee on Natural Resources, Agriculture, and Mining;

(3) One member of the Senate appointed by the Majority Leader of the Senate;

(4) One member of the Senate appointed by the Minority Leader of the Senate;

(5) One member of the Assembly appointed by the Speaker of the Assembly; and

(6) One member of the Assembly appointed by the Minority Leader of the Assembly.

(b) Insofar as practicable, represent the various areas within the planning area.

(c) Elect a Chairman and a Vice Chairman from among its members. The Chairman must be elected from one House of the Legislature and the Vice Chairman from the other House. After the initial selection of a Chairman and a Vice Chairman, each of those officers holds office for a term of 2 years commencing on July 1 of each odd-numbered year. If a vacancy occurs in the chairmanship or vice chairmanship, the members of the Committee shall select a replacement for the remainder of the unexpired term.

2. Any member of the Committee who is not a candidate for reelection or who is defeated for reelection continues to serve until the next session of the Legislature convenes.

3. Vacancies on the Committee must be filled in the same manner as original appointments.

4. The members of the Committee shall meet throughout each year at the times and places specified by a call of the Chairman or a majority of the Committee.

5. The Director of the Legislative Counsel Bureau or his designee shall act as the nonvoting recording Secretary.

6. The Committee shall prescribe regulations for its own management and government.

7. Except as otherwise provided in subsection 8, four members of the Committee constitute a quorum, and a quorum may exercise all the powers conferred on the Committee.

8. Any recommended legislation proposed by the Committee must be approved by a majority of the members of the Senate and by a majority of the members of the Assembly appointed to the Committee.

9. Except during a regular or special session of the Legislature, the members of the Committee are entitled to receive the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session, the per diem allowance provided for state officers and employees generally and the travel expenses provided pursuant to NRS 218.2207 for each day or portion of a day of attendance at a meeting of the Committee and while engaged in the business of the Committee. The salaries and expenses paid pursuant to this subsection and the expenses of the Committee must be paid from the Legislative Fund.

10. The Committee shall review the programs and activities of the Western Regional Water Commission. The review must include an analysis of potential consolidation of the retail distribution systems and facilities of all public purveyors in the planning area, which is described in section 22 of this act.

11. The Committee may:

(a) Conduct investigations and hold hearings in connection with its powers pursuant to this section.

(b) Direct the Legislative Counsel Bureau to assist in the study of issues related to oversight of the Western Regional Water Commission.

12. In conducting the investigations and hearings of the Committee:

(a) The Secretary of the Committee or, in his absence, any member of the Committee may administer oaths.

(b) The Secretary or Chairman of the Committee may cause the deposition of witnesses, residing either within or outside of the State, to be taken in the manner prescribed by rule of court for taking depositions in civil actions in the district courts.

(c) The Chairman of the Committee may issue subpoenas to compel the attendance of witnesses and the production of books and papers.

13. If any witness refuses to attend or testify or produce any books and papers as required by the subpoena issued pursuant to this section, the Chairman of the Committee may report to the district court by petition, setting forth that:

(a) Due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) The witness has been subpoenaed by the Committee pursuant to this section; and

(c) The witness has failed or refused to attend or produce the books and papers required by the subpoena before the Committee which is named in the subpoena, or has refused to answer questions propounded to him.

➤ and asking for an order of the court compelling the witness to attend and testify or produce the books and papers before the Committee.

14. Upon a petition pursuant to subsection 13, the court shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order, and to show cause why he has not attended or testified or produced the books or papers before the Committee. A certified copy of the order must be served upon the witness.

15. If it appears to the court that the subpoena was regularly issued by the Committee, the court shall enter an order that the witness appear before the Committee at the time and place fixed in the order and testify or produce the required books or papers. Failure to obey the order constitutes contempt of court.

16. Each witness who appears before the Committee by its order, except a state officer or employee, is entitled to receive for his attendance the fees and mileage provided for witnesses in civil cases in the courts of record of this State. The fees and mileage must be audited and paid upon the presentation of proper claims sworn to by the witness and approved by the Secretary and Chairman of the Committee.

17. On or before January 15 of each odd-numbered year, the Committee shall submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report concerning the review conducted pursuant to subsection 10 and any recommendations for legislation.

Sec. 57. 1. This section and section 56 of this act become effective on July 1, 2007.

2. Sections 1 to 23, inclusive, and 25 to 55, inclusive, of this act become effective on April 1, 2008.

3. Section 24 of this act:

(a) Becomes effective on:

(1) July 1, 2007, for the purposes of authorizing the entities set forth in that section to enter into the cooperative agreement specified in that section; and

(2) April 1, 2008, for all other purposes, if the cooperative agreement specified in that section is entered into before that date.

(b) Expires by limitation on April 1, 2008, if the cooperative agreement specified in that section has not been entered into before that date.

4. Section 56 of this act expires by limitation on July 1, 2013.

LEADLINES OF REPEALED SECTIONS

540A.060 Conservation; sewerage; public information; recommendations concerning management and use of water.

540A.070 Imposition and collection of fee for planning and administration of chapter and implementation of certain plans.

540A.080 Creation; voting membership; terms of members; vacancies.

540A.090 Nonvoting membership.

540A.100 Qualifications of members.

540A.110 Selection of chairman.

540A.120 Meetings; quorum; compensation of members.

540A.130 Development and revision; contents.

540A.140 Required elements.

540A.150 Consistency with other plans and federal law.

540A.160 Consideration of information from other entities and persons; review of other plans; coordination.

540A.170 Public hearings; adoption of resolution for submission of plan or amendment.

540A.180 Submission of plan or amendment to board; board required to hold public hearing; notice; copy of proposed plan or amendment to be available for public inspection.

540A.190 Changes and additions.

540A.200 Review by regional planning commission; effect of nonconformity with comprehensive regional plan.

540A.210 Appeal of determination by regional planning commission.

540A.220 Periodic review.

540A.230 Construction of certain facilities following approval of plan.

540A.290 Property or facility of county: Transfer to or operation or management by largest supplier in region which is public utility.

540A.300 Agreement between board and largest supplier in region which is public utility; compliance with regulations of Public Utilities Commission of Nevada; withholding of certain information from board.

540A.310 Duties of largest supplier in region which is public utility.

MARK E. AMODEI

MAURICE E. WASHINGTON

BERNICE MATHEWS

Senate Conference Committee

MARILYN KIRKPATRICK

DAVID BOBZIEN

HEIDI S. GANSERT

Assembly Conference Committee

Senator Amodei moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 487.

Remarks by Senator Amodei.

Motion carried by a constitutional majority.

APPOINTMENT OF CONFERENCE COMMITTEES

President Krolicki appointed Senators Beers, Lee and Hardy as a first Conference Committee to meet with a like committee of the Assembly for the further consideration of Senate Bill No. 517.

Senator Raggio moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 8:40 p.m.

SENATE IN SESSION

At 8:57 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Senate Bill No. 579, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chair*

Mr. President:

Your Committee on Human Resources and Education, to which was referred Assembly Bill No. 146, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MAURICE E. WASHINGTON, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 4, 2007

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bill No. 553.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Conference Committee concerning Assembly Bills Nos. 304, 460, 497.

LUCINDA BENJAMIN

Assistant Chief Clerk of the Assembly

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 553.

Senator Nolan moved that the bill be referred to the Committee on Finance.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 146.

Bill read second time.

The following amendment was proposed by the Committee on Human Resources and Education:

Amendment No. 1169.

"SUMMARY—Requires the Department of Health and Human Services to establish programs to increase public awareness of health care information concerning the hospitals and surgical centers for ambulatory patients in this State. (BDR 40-687)"

"AN ACT relating to health care; requiring the Department of Health and Human Services to establish programs to increase public awareness of health care information concerning the hospitals and surgical centers for ambulatory patients in this State; requiring the Department to establish and maintain an Internet website which provides certain information concerning the charges imposed and the quality of health care provided by those hospitals and centers; requiring those hospitals and centers to submit certain information to the Department for the programs; requiring the Department to make certain determinations before performing certain duties; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides for the planning for health care in this State, including the promotion of equal access to quality health care at a reasonable

cost. (Chapter 439A of NRS) Sections 3 and 4.3 of this bill require the Department of Health and Human Services to establish programs to increase public awareness of health care information concerning the hospitals and surgical centers for ambulatory patients in this State. The programs must include the provision of information concerning the charges imposed and the quality of services provided by those hospitals and centers. Sections 4 and 4.7 of this bill require the Department to adopt regulations pertaining to the programs and require the hospitals and centers to submit the information for the programs. Section 5 of this bill requires the Department to collect and maintain that information. Section 6 of this bill requires the Department to establish and maintain an Internet website which provides information to the general public concerning the charges imposed and the quality of services provided by the hospitals and surgical centers for ambulatory patients in this State. Section 6.5 of this bill authorizes the Department to accept contributions to carry out the provisions of sections 2-7 of this bill. Section 6.5 also requires the Department to determine at the beginning of each biennium whether sufficient money is available to fund one or more components of the programs and duties of the Department relating to sections 2-7.

Under existing law, the Director of the Office for Consumer Health Assistance maintains an Internet website which includes certain information concerning prescription drug programs and pharmacies. (NRS 223.560) Section 14 of this bill requires the Director to include on the website a link to the website maintained by the Department of Health and Human Services to provide information to the general public concerning the charges imposed and the quality of services provided by the hospitals and surgical centers for ambulatory patients in this State.

Sections 15 and 16 of this bill specify the dates on which the hospitals and surgical centers for ambulatory patients are required to commence submitting the information for the programs. Section 16 also allows the Department to extend the deadline by which it must post this information on its website if the Department reports to the Legislative Committee on Health Care that the information submitted is not ready for posting.

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

Section 1. Chapter 439A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. *As used in sections 2 to 7, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 2.3 and 2.9 of this act have the meanings ascribed to them in those sections.*

Sec. 2.3. *"Hospital" has the meaning ascribed to it in NRS 449.012.*

Sec. 2.7. (Deleted by amendment.)

Sec. 2.9. *"Surgical center for ambulatory patients" has the meaning ascribed to it in NRS 449.019.*

Sec. 3. 1. *The Department shall establish and maintain a program to increase public awareness of health care information concerning the hospitals in this State. The program must be designed to assist consumers with comparing the quality of care provided by the hospitals in this State and the charges for that care.*

2. *The program must include, without limitation, the collection, maintenance and provision of information concerning:*

(a) *Inpatients and outpatients of each hospital in this State as reported in the forms submitted pursuant to NRS 449.485;*

(b) *The quality of care provided by each hospital in this State as determined by applying uniform measures of quality prescribed by the Department pursuant to section 4 of this act;*

(c) *How consistently each hospital follows recognized practices to prevent the infection of patients, to speed the recovery of patients and to avoid medical complications of patients;*

(d) *For each hospital, the total number of patients discharged, the average length of stay and the average billed charges, reported for the 50 most frequent diagnosis-related groups for inpatients and 50 medical treatments for outpatients that the Department determines are most useful for consumers; and*

(e) *Any other information relating to the charges imposed and the quality of the services provided by the hospitals in this State which the Department determines is:*

(1) *Useful to consumers;*

(2) *Nationally recognized; and*

(3) *Reported in a standard and reliable manner.*

3. *As used in this section, "diagnosis-related group" means groupings of medical diagnostic categories used as a basis for hospital payment schedules by Medicare and other third-party health care plans.*

Sec. 4. 1. *The Department shall, by regulation:*

(a) *Prescribe the information that each hospital in this State must submit to the Department for the program established pursuant to section 3 of this act.*

(b) *Prescribe the measures of quality for hospitals that are required pursuant to paragraph (b) of subsection 2 of section 3 of this act. In adopting the regulations, the Department shall:*

(1) *Use the measures of quality endorsed by the Agency for Healthcare Research and Quality, the National Quality Forum, Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, a quality improvement organization of the Centers for Medicare and Medicaid Services and the Joint Commission on Accreditation of Healthcare Organizations;*

(2) *Prescribe a reasonable number of measures of quality which must not be unduly burdensome on the hospitals; and*

(3) *Take into consideration the financial burden placed on the hospitals to comply with the regulations.*

↪ *The measures prescribed pursuant to this paragraph must report health outcomes of hospitals, which do not necessarily correlate with the inpatient diagnosis-related groups or the outpatient treatments that are posted on the Internet website pursuant to section 6 of this act.*

(c) *Require each hospital to:*

(1) *Provide the information prescribed in paragraphs (a) and (b) in the format required by the Department; and*

(2) *Report the information separately for inpatients and outpatients.*

2. *The information required pursuant to this section and section 3 of this act must be submitted to the Department not later than 45 days after the last day of each calendar month.*

3. *If a hospital fails to submit the information required pursuant to this section or section 3 of this act or submits information that is incomplete or inaccurate, the Department shall send a notice of such failure to the hospital and to the Health Division of the Department.*

Sec. 4.3. 1. *The Department shall establish and maintain a program to increase public awareness of health care information concerning the surgical centers for ambulatory patients in this State. The program must be designed to assist consumers with comparing the quality of care provided by the surgical centers for ambulatory patients in this State and the charges for that care.*

2. *The program must include, without limitation, the collection, maintenance and provision of information concerning:*

(a) *The charges imposed on outpatients by each surgical center for ambulatory patients in this State as reported in the forms submitted pursuant to section 4.7 of this act;*

(b) *The quality of care provided by each surgical center for ambulatory patients in this State as determined by applying uniform measures of quality prescribed by the Department pursuant to section 4.7 of this act;*

(c) *How consistently each surgical center for ambulatory patients follows recognized practices to prevent the infection of patients, to speed the recovery of patients and to avoid medical complications of patients;*

(d) *For each surgical center for ambulatory patients, the total number of patients discharged and the average billed charges, reported for 50 medical treatments for outpatients that the Department determines are most useful for consumers; and*

(e) *Any other information relating to the charges imposed and the quality of the services provided by the surgical centers for ambulatory patients in this State which the Department determines is:*

(1) *Useful to consumers;*

(2) *Nationally recognized; and*

(3) *Reported in a standard and reliable manner.*

Sec. 4.7. 1. *The Department shall, by regulation:*

(a) Prescribe the information that each surgical center for ambulatory patients in this State must submit to the Department for the program as set forth in section 4.3 of this act and the form for submission of such information.

(b) Prescribe the measures of quality for surgical centers for ambulatory patients that are required pursuant to paragraph (b) of subsection 2 of section 4.3 of this act. In adopting the regulations, the Department shall:

(1) Use measures of quality which are substantially similar to those required pursuant to subparagraph (1) of paragraph (b) of subsection 1 of section 4 of this act;

(2) Prescribe a reasonable number of measures of quality which must not be unduly burdensome on the surgical centers for ambulatory patients; and

(3) Take into consideration the financial burden placed on the surgical centers for ambulatory patients to comply with the regulations.

➡ The measures prescribed pursuant to this paragraph must report health outcomes of surgical centers for ambulatory patients, which do not necessarily correlate with the outpatient treatments posted on the Internet website pursuant to section 6 of this act.

(c) Require each surgical center for ambulatory patients to provide the information prescribed in paragraphs (a) and (b) in the format required by the Department.

(d) Prescribe which surgical centers for ambulatory patients in this State must participate in the program established pursuant to section 4.3 of this act.

2. The information required pursuant to this section and section 4.3 of this act must be submitted to the Department not later than 45 days after the last day of each calendar month.

3. If a surgical center for ambulatory patients fails to submit the information required pursuant to this section or section 4.3 of this act or submits information that is incomplete or inaccurate, the Department shall send a notice of such failure to the surgical center for ambulatory patients and to the Health Division of the Department.

Sec. 5. 1. The Department shall collect and maintain all information that it receives from the hospitals and surgical centers for ambulatory patients in this State pursuant to sections 3 to 4.7, inclusive, of this act. Upon request, the Department shall make a summary of the information available to:

(a) Consumers of health care;

(b) Providers of health care;

(c) Representatives of the health insurance industry; and

(d) The general public.

2. The Department shall ensure that the information it provides pursuant to this section is aggregated so as not to reveal the identity of a specific

inpatient or outpatient of a hospital or of a surgical center for ambulatory patients.

Sec. 6. 1. The Department shall establish and maintain an Internet website that includes the information concerning the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State as required by the programs established pursuant to sections 3 and 4.3 of this act. The information must:

(a) Include, for each hospital in this State, the total number of patients discharged, the average length of stay and the average billed charges, reported for the 50 most frequent diagnosis-related groups for inpatients and 50 medical treatments for outpatients that the Department determines are most useful for consumers;

(b) Include, for each surgical center for ambulatory patients in this State, the total number of patients discharged and the average billed charges, reported for 50 medical treatments for outpatients that the Department determines are most useful for consumers;

(c) Be presented in a manner that allows a person to view and compare the information for the hospitals by:

(1) Geographic location of each hospital;

(2) Type of medical diagnosis; and

(3) Type of medical treatment;

(d) Be presented in a manner that allows a person to view and compare the information for the surgical centers for ambulatory patients by:

(1) Geographic location of each surgical center for ambulatory patients;

(2) Type of medical diagnosis; and

(3) Type of medical treatment;

(e) Be presented in a manner that allows a person to view and compare the information separately for :

(1) The inpatients and outpatients of each hospital; and

(2) The outpatients of each surgical center for ambulatory patients;

(f) Be readily accessible and understandable by a member of the general public; and

(g) Provide any other information relating to the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State which the Department determines is:

(1) Useful to consumers;

(2) Nationally recognized; and

(3) Reported in a standard and reliable manner.

2. The Department shall:

(a) Publicize the availability of the Internet website;

(b) Update the information contained on the Internet website at least quarterly;

(c) Ensure that the information contained on the Internet website is accurate and reliable;

(d) Ensure that the information contained on the Internet website is aggregated so as not to reveal the identity of a specific inpatient or outpatient of a hospital;

(e) Post a disclaimer on the Internet website indicating that the information contained on the website is provided to assist with the comparison of hospitals and is not a guarantee by the Department or its employees as to the charges imposed by the hospitals in this State or the quality of the services provided by the hospitals in this State, including, without limitation, an explanation that the actual amount charged to a person by a particular hospital may not be the same charge as posted on the website for that hospital;

(f) Provide on the Internet website established pursuant to this section a link to the Internet website of the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services; and

(g) Upon request, make the information that is contained on the Internet website available in printed form.

3. As used in this section, "diagnosis-related group" means groupings of medical diagnostic categories used as a basis for hospital payment schedules by Medicare and other third-party health care plans.

Sec. 6.5. 1. On or before July 1 of each odd-numbered year, the Department shall make a determination of whether sufficient money is available and authorized for expenditure to fund one or more components of the programs and other duties of the Department relating to sections 2 to 7, inclusive, of this act.

2. The Department shall temporarily suspend any components of the program or duties of the Department for which it determines pursuant to subsection 1 that sufficient money is not available.

3. The Department may accept any gift, donation, bequest, grant or other source of money for the purpose of carrying out the provisions of sections 2 to 7, inclusive of this act.

Sec. 7. 1. In carrying out the provisions of sections 2 to 7, inclusive, of this act, the Department ~~may~~ :

(a) Shall work in consultation with a quality improvement organization of the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services; and

(b) May contract with the Nevada System of Higher Education or any appropriate, independent and qualified person or entity to analyze the information collected and maintained by the Department pursuant to sections 2 to 7, inclusive, of this act. Such a contractor may release or publish or otherwise use ~~any~~ information made available to it pursuant to the contract if the Department determines that the information is accurate ~~and~~ and the contractor complies with the regulations adopted pursuant to subsection 2.

2. The Department shall adopt regulations for the review and release of information collected and maintained by the Department pursuant to

sections 2 to 7, inclusive, of this act. The regulations must require, without limitation, the Department to review each request for information if the request is for purposes other than research.

3. The Department shall, on or before July 1 of each year, submit to the Legislative Committee on Health Care a report concerning each request that is made pursuant to subsection 2 and the determination of the Department with regard to each request.

Sec. 8. NRS 439A.020 is hereby amended to read as follows:

439A.020 The purposes of this chapter are to:

1. Promote equal access to quality health care at a reasonable cost;
2. Promote an adequate supply and distribution of health resources;
3. Promote uniform, effective methods of delivering health care;
4. Promote and encourage the adequate distribution of health and care facilities and man power;
5. Promote and encourage the effective use of methods for controlling increases in the cost of health care;
6. Encourage participation in health planning by members of the several health professions, representatives of institutions and agencies interested in the provision of health care and the reduction of the cost of such care, and the general public;
7. Utilize the viewpoint of the general public for making decisions;
8. *Provide information to the general public concerning the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State;*
9. Encourage public education regarding proper personal health care and methods for the effective use of available health services; and
- ~~{9-}~~ 10. Promote a program of technical assistance to purchasers to contain effectively the cost of health care, including:
 - (a) Providing information to purchasers regarding the charges made by practitioners.
 - (b) Training purchasers to negotiate successfully for a policy of health insurance.
 - (c) Conducting studies and providing other information about measures to assist purchasers in containing the cost of health care.

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. NRS 449.485 is hereby amended to read as follows:

449.485 1. Each hospital in this State shall use for all patients discharged the form commonly referred to as the "UB-82," or a different form prescribed by the Director with the approval of a majority of the hospitals licensed in this State, and shall include in the form all information required by the Department.

2. ~~{The Department shall by regulation:~~

~~(a) Specify~~ Each hospital in this State shall, on a monthly basis, report to the Department the information required to be included in the form for each patient. ~~}; and~~

~~(b) Require each hospital to provide specified information from the form to the Department.}~~

3. Each insurance company or other payer shall accept the form as the bill for services provided by hospitals in this State.

4. Except as otherwise provided in subsection 5, each hospital ~~{with 100 or more beds}~~ in this State shall provide the information required pursuant to ~~{paragraph (b) of}~~ subsection 2 ~~{on magnetic tape or by other means}~~ in an electronic form specified by the Department. ~~}; or shall provide copies of the forms and pay the costs of entering the information manually from the copies.}~~

5. The Director may exempt a hospital from the requirements of subsection 4 if requiring the hospital to comply with the requirements would cause the hospital financial hardship.

6. *The Department shall use the information submitted pursuant to this section for the program established pursuant to section 3 of this act to increase public awareness of health care information concerning the hospitals in this State.*

Sec. 12. NRS 449.490 is hereby amended to read as follows:

449.490 1. Every institution which is subject to the provisions of NRS 449.450 to 449.530, inclusive, shall file with the Department the following financial statements or reports in a form and at intervals specified by the Director but at least annually:

(a) A balance sheet detailing the assets, liabilities and net worth of the institution for its fiscal year; and

(b) A statement of income and expenses for the fiscal year.

2. Each hospital with 100 or more beds shall file with the Department, in a form and at intervals specified by the Director but at least annually, a capital improvement report which includes, without limitation, any major service line that the hospital has added or is in the process of adding since the previous report was filed, any major expansion of the existing facilities of the hospital that has been completed or is in the process of being completed since the previous report was filed, and any major piece of equipment that the hospital has acquired or is in the process of acquiring since the previous report was filed.

3. In addition to the information required to be filed pursuant to subsections 1 and 2, each hospital with 100 or more beds shall file with the Department, in a form and at intervals specified by the Director but at least annually:

(a) The corporate home office allocation methodology of the hospital, if any.

(b) The expenses that the hospital has incurred for providing community benefits and the in-kind services that the hospital has provided to the

community in which it is located. For the purposes of this paragraph, "community benefits" includes, without limitation, goods, services and resources provided by a hospital to a community to address the specific needs and concerns of that community, services provided by a hospital to the uninsured and underserved persons in that community, training programs for employees in a community and health care services provided in areas of a community that have a critical shortage of such services, for which the hospital does not receive full reimbursement.

(c) A statement of its policies and procedures for providing discounted services to, or reducing charges for services provided to, persons without health insurance that are in addition to any reduction or discount required to be provided pursuant to NRS 439B.260.

(d) A statement of its policies regarding patients' account receivables, including, without limitation, the manner in which a hospital collects or makes payment arrangements for patients' account receivables, the factors that initiate collections and the method by which unpaid account receivables are collected.

4. A complete current charge master must be available at each hospital during normal business hours for review by the Director, any payor that has a contract with the hospital to pay for services provided by the hospital, any payor that has received a bill from the hospital and any state agency that is authorized to review such information. *The complete and current charge master must be made available to the Department, at the request of the Director, in an electronic format specified by the Department. The Department may use the electronic copy of the charge master to review and analyze the data contained in the charge master and, except as otherwise provided in sections 2 to 7, inclusive, of this act, shall not release or publish the information contained in the charge master.*

5. The Director shall require the certification of specified financial reports by an independent certified public accountant and may require attestations from responsible officers of the institution that the reports are, to the best of their knowledge and belief, accurate and complete to the extent that the certifications and attestations are not required by federal law.

6. The Director shall require the filing of all reports by specified dates, and may adopt regulations which assess penalties for failure to file as required, but he shall not require the submission of a final annual report sooner than 6 months after the close of the fiscal year, and may grant extensions to institutions which can show that the required information is not available on the required reporting date.

7. All reports, except privileged medical information, filed under any provisions of NRS 449.450 to 449.530, inclusive, are open to public inspection and must be available for examination at the office of the Department during regular business hours.

Sec. 13. NRS 449.520 is hereby amended to read as follows:

449.520 1. On or before October 1 of each year, the Director shall prepare and transmit to the Governor, the Legislative Committee on Health Care and the Interim Finance Committee a report of the Department's operations and activities for the preceding fiscal year.

2. The report prepared pursuant to subsection 1 must include:

(a) Copies of all summaries, compilations and supplementary reports required by NRS 449.450 to 449.530, inclusive, together with such facts, suggestions and policy recommendations as the Director deems necessary;

(b) A summary of the trends of the audits of hospitals in this State that the Department required or performed during the previous year;

(c) An analysis of the trends in the costs, expenses and profits of hospitals in this State;

(d) An analysis of the corporate home office allocation methodologies of hospitals in this State;

(e) An examination and analysis of the manner in which hospitals are reporting the information that is required to be filed pursuant to NRS 449.490, including, without limitation, an examination and analysis of whether that information is being reported in a standard and consistent manner, which fairly reflect the operations of each hospital;

(f) A review and comparison of the policies and procedures used by hospitals in this State to provide discounted services to, and to reduce charges for services provided to, persons without health insurance; ~~and~~

(g) A review and comparison of the policies and procedures used by hospitals in this State to collect unpaid charges for services provided by the hospitals ~~to~~; and

(h) A summary of the status of the programs established pursuant to sections 3 and 4.3 of this act to increase public awareness of health care information concerning the hospitals and surgical centers for ambulatory patients in this State, including, without limitation, the information that was posted in the preceding fiscal year on the Internet website maintained for those programs pursuant to section 6 of this act.

3. The Legislative Committee on Health Care shall develop a comprehensive plan concerning the provision of health care in this State which includes, without limitation:

(a) A review of the health care needs in this State as identified by state agencies, local governments, providers of health care and the general public; and

(b) A review of the capital improvement reports submitted by hospitals pursuant to subsection 2 of NRS 449.490.

Sec. 14. NRS 223.560 is hereby amended to read as follows:

223.560 The Director shall:

1. Respond to written and telephonic inquiries received from consumers and injured employees regarding concerns and problems related to health care and workers' compensation;

2. Assist consumers and injured employees in understanding their rights and responsibilities under health care plans and policies of industrial insurance;

3. Identify and investigate complaints of consumers and injured employees regarding their health care plans and policies of industrial insurance and assist those consumers and injured employees to resolve their complaints, including, without limitation:

(a) Referring consumers and injured employees to the appropriate agency, department or other entity that is responsible for addressing the specific complaint of the consumer or injured employee; and

(b) Providing counseling and assistance to consumers and injured employees concerning health care plans and policies of industrial insurance;

4. Provide information to consumers and injured employees concerning health care plans and policies of industrial insurance in this State;

5. Establish and maintain a system to collect and maintain information pertaining to the written and telephonic inquiries received by the Office for Consumer Health Assistance;

6. Take such actions as are necessary to ensure public awareness of the existence and purpose of the services provided by the Director pursuant to this section;

7. In appropriate cases and pursuant to the direction of the Governor, refer a complaint or the results of an investigation to the Attorney General for further action;

8. Provide information to and applications for prescription drug programs for consumers without insurance coverage for prescription drugs or pharmaceutical services; and

9. Establish and maintain an Internet website which includes:

(a) Information concerning purchasing prescription drugs from Canadian pharmacies that have been recommended by the State Board of Pharmacy for inclusion on the Internet website pursuant to subsection 4 of NRS 639.2328; ~~and~~

(b) Links to websites of Canadian pharmacies which have been recommended by the State Board of Pharmacy for inclusion on the Internet website pursuant to subsection 4 of NRS 639.2328 ~~and~~; and

(c) *A link to the website established and maintained pursuant to section 6 of this act which provides information to the general public concerning the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State.*

Sec. 15. 1. Each hospital in this State shall, for each patient discharged on and after July 1, 2007, submit to the Department of Health and Human Services the information concerning inpatient data required pursuant to sections 3 and 4 of this act.

2. The Department shall review the data concerning inpatients submitted by each hospital in this State and, on or before January 1, 2008, begin posting

such information on the Internet website established pursuant to section 6 of this act.

3. Each hospital in this State shall, for each patient discharged on and after January 1, 2008, begin submitting to the Department the information concerning outpatient data that is required pursuant to sections 3 and 4 of this act.

4. The Department shall review the data concerning outpatients submitted by each hospital in this State and, except as otherwise provided in this subsection, on or before January 1, 2009, begin posting such information on the Internet website established pursuant to section 6 of this act. The Department shall, on or before December 1, 2008, report to the Legislative Committee on Health Care concerning the activities of the Department pursuant to this section and sections 3 and 4 of this act, including, without limitation, a report on whether the information concerning outpatients submitted pursuant to sections 3 and 4 of this act is ready for posting on the Internet website established pursuant to section 6 of this act. If the Department submits to the Legislative Committee on Health Care a report that such information is not ready for posting on the Internet website, the Legislative Committee on Health Care may extend the deadline by which the information must be posted.

Sec. 16. 1. Each surgical center for ambulatory patients in this State shall, on January 1, 2008, begin submitting to the Department of Health and Human Services the information required by the Department pursuant to sections 4.3 and 4.7 of this act.

2. The Department shall review the data concerning outpatients submitted by each surgical center for ambulatory patients in this State and, on or before December 1, 2008, report to the Legislative Committee on Health Care concerning the activities of the Department pursuant to this section and sections 4.3 and 4.7 of this act, including, without limitation, a report on whether the Department is able to adequately and accurately report the information submitted pursuant to sections 4.3 and 4.7 of this act. If the Department submits to the Legislative Committee on Health Care a report that the information collected pursuant to sections 4.3 and 4.7 of this act is not ready for posting on the Internet website because it is not accurate or is incomplete, the Legislative Committee on Health Care may extend the deadline by which the information must be posted pursuant to subsection 3.

3. Except as otherwise provided in subsection 2, the Department shall, on January 1, 2009, begin posting the information received pursuant to sections 4.3 and 4.7 of this act on the Internet website established pursuant to section 6 of this act.

4. As used in this section, "surgical center for ambulatory patients" has the meaning ascribed to it in NRS 449.019.

Sec. 17. In addition to any other report required pursuant to this act or a state law, the Department of Health and Human Services shall submit to the

Legislative Committee on Health Care, on or before the first day of each month, a report which includes:

1. The status of the collection of data pursuant to sections 2 to 7, inclusive, of this act;
2. The status of the establishment of an Internet website pursuant to section 6 of this act;
3. Any regulations adopted pursuant to sections 4 and 4.7 of this act; and
4. Any other information related to carrying out the provisions of this act.

Sec. 18. 1. The Department of Health and Human Services shall not send to the Health Division of the Department a notice required pursuant to subsection 3 of section 4 of this act until:

(a) July 1, 2008, if the notice concerns the submission of information relating to inpatients of a hospital; and

(b) January 1, 2009, if the notice concerns the submission of information relating to outpatients of a hospital.

2. The Department of Health and Human Services shall not send to the Health Division of the Department a notice required pursuant to subsection 3 of section 4.7 of this act until January 1, 2009, if the notice concerns information submitted by a surgical center for ambulatory patients.

Sec. 19. This act becomes effective on July 1, 2007.

Senator Heck moved the adoption of the amendment.

Remarks by Senator Heck.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Heck moved that Assembly Bill No. 434 be taken from the Second Reading File and placed on the Second Reading File on the eighth agenda.

Remarks by Senator Heck.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 540.

Bill read third time.

Remarks by Senators Horsford and Cegavske.

Roll call on Senate Bill No. 540:

YEAS—11.

NAYS—Care, Carlton, Coffin, Horsford, Lee, Mathews, Schneider, Titus, Wiener, Woodhouse—10.

Senate Bill No. 540 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 579.

Bill read third time.

Remarks by Senators Raggio and Titus.

Roll call on Senate Bill No. 579:

YEAS—19.

NAYS—Beers, Heck—2.

Senate Bill No. 579 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 544.

Bill read third time.

Roll call on Assembly Bill No. 544:

YEAS—21.

NAYS—None.

Assembly Bill No. 544 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 73.

The following Assembly amendment was read:

Amendment No. 1159.

"SUMMARY—Provides for allowances for certain travel expenses incurred by Legislators during the legislative interim. (BDR 17-265)"

"AN ACT relating to the State Legislature; providing for allowances for certain travel expenses incurred by Legislators during the legislative interim; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill provides that each Legislator is entitled to receive, during the legislative interim, a travel allowance not to exceed a total of ~~[\$5,000]~~ \$3,000 for travel within ~~[his legislative district]~~ the State to participate in a meeting of a legislative committee or subcommittee of which he is not a member or with an officer, employee, agency, board, bureau, commission, department, division, district or other unit of federal, state or local government or any other public entity regarding an issue relating to ~~[that legislative district]~~ the State. The travel allowance applies only to trips that are 50 miles or more one way or 100 miles or more round trip. The travel allowance does not apply to travel that occurs after the Legislator has filed a declaration or an acceptance of candidacy for an elective office and remains a candidate for that office.

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

Section 1. Chapter 218 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section and NRS 218.2207, each Senator and Assemblyman is entitled to receive, during the legislative interim, an allowance for travel within ~~his legislative district,~~ the State to participate in a meeting of a legislative committee or subcommittee of which he is not a member or with an officer, employee, agency, board, bureau, commission, department, division, district or other unit of federal, state or local government or any other public entity regarding an issue relating to ~~that legislative district,~~ the State.

2. The allowance for travel payable pursuant to this section applies only to trips whose one-way distance is 50 miles or more or whose round-trip distance is 100 miles or more.

3. The maximum allowance for travel payable to each Senator and Assemblyman pursuant to this section during a legislative interim is ~~[\$5,000,]~~ \$3,000, except that no allowance for travel pursuant to this section is payable to a Senator or Assemblyman for travel that occurs during the legislative interim at any time after the date on which the Senator or Assemblyman has filed a declaration or an acceptance of candidacy for an elective office and remains a candidate for that office.

4. Transportation must be by the most economical means, considering total cost and time spent in transit. The allowance is:

(a) If the travel is by private conveyance, the standard mileage reimbursement rate for which a deduction is allowed for the purposes of federal income tax.

(b) If the travel is not by private conveyance, the actual amount expended.

5. Claims made pursuant to this section must be paid from the Legislative Fund unless otherwise provided by specific statute. A claim must not be paid unless the Senator or Assemblyman submits a signed statement affirming:

(a) The date of travel; ~~and~~

(b) The purpose of the travel and of the participant's attendance; and

(c) The places of departure and arrival and, if the travel is by private conveyance, the actual miles traveled. If the travel is not by private conveyance, the claim must include a receipt or other evidence of the expenditure.

Sec. 2. This act becomes effective upon passage and approval.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 73.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 123.

The following Assembly amendment was read:

Amendment No. 1161.

Section 3 of S.B. No. 123 is hereby amended as follows:

Sec. 3. ~~1. Except as otherwise provided in subsection 2, records of a nongovernmental entity that are directly related to the administration, management or regulation of an activity, program, institution or facility by the nongovernmental entity for or on behalf of a governmental entity are public records that must be open for inspection and copying.~~

~~2. This section does not apply to the financial or other proprietary records of the nongovernmental entity. (Deleted by amendment.)~~

Section 7 of S.B. No. 123 is hereby amended as follows:

Sec. 7. ~~[NRS 239.005 is hereby amended to read as follows:~~

~~239.005 As used in this chapter, unless the context otherwise requires:~~

~~1. "Actual cost" means the direct cost related to the reproduction of a public record. The term does not include a cost that a governmental entity incurs regardless of whether or not a person requests a copy of a particular public record.~~

~~2. "Committee" means the Committee to Approve Schedules for the Retention and Disposition of Official State Records.~~

~~3. "Division" means the Division of State Library and Archives of the Department of Cultural Affairs.~~

~~4. "Governmental entity" means:~~

~~(a) An elected or appointed officer of this State or of a political subdivision of this State;~~

~~(b) An institution, board, commission, bureau, council, department, division, authority or other unit of government of this State or of a political subdivision of this State;~~

~~(c) A university foundation, as defined in NRS 396.405; [or]~~

~~(d) An educational foundation, as defined in NRS 388.750, to the extent that the foundation is dedicated to the assistance of public schools [.]; or~~

~~(e) Any other person or nongovernmental entity that administers, manages or regulates an activity, program, institution or facility for or on behalf of a governmental entity described in paragraphs (a) to (d), inclusive, of this subsection. (Deleted by amendment.)~~

Section 218 of S.B. No. 123 is hereby amended as follows:

Sec. 218. 1. Except as otherwise provided in this subsection, for the purposes of section 6 of this act, a person may apply to a district court on or after October 1, 2007, for an order directing a governmental entity to allow the person to inspect or copy a public book or record, or a part thereof, if the public book or record has been in the legal custody or control of a governmental entity for a period of 30 years or more on the date of the application. A person may apply to the district court on or after October 1, 2007, for an order directing a governmental entity to allow the person to inspect or copy a public book or record that pertains to a natural person if, on the date of the application, the public book or record has been in the legal custody or control of a governmental entity for a period of 30 years or more or the natural person has died, whichever is later.

2. As used in this section, "governmental entity" has the meaning ascribed to it in NRS 239.005. ~~[, as amended by section 7 of this act.]~~

The Title of S.B. No. 123 is hereby amended as follows:

"AN ACT relating to public records; ~~[providing that certain records of a nongovernmental entity are public books or records under certain circumstances;]~~ requiring a governmental entity to take certain action in response to a written request to inspect or copy a public book or record; making various changes regarding the confidentiality of records; authorizing a person to apply to a district court for an order to allow the person to inspect or copy certain confidential public books or records that have been in the custody of a governmental entity for a certain period; and providing other matters properly relating thereto."

If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:

Legislative Counsel's Digest:

Under existing law, all public books and records of a governmental entity, the contents of which are not otherwise declared by law to be confidential or which the governmental entity determines pursuant to a balancing test must not be disclosed, must be open at all times during office hours for inspection and copying. (NRS 239.010; *Donrey v. Bradshaw*, 106 Nev. 630 (1990))

Section 4 of this bill provides that if a governmental entity receives a written request to inspect or copy a public book or record, the governmental entity must, within 5 business days after the date on which the person who has legal custody or control of the book or record has received the request: (1) allow the requester to inspect or copy the public book or record; (2) if the governmental entity does not have legal custody or control of the public book or record, notify the requester of that fact and where, if known, the public book or record is located; (3) if the governmental entity cannot make the public book or record available within 5 business days, notify the requester of the date and time when the book or record will be available; or (4) if the public book or record is confidential, notify the requester of that fact in writing, including a citation to the legal authority that makes the book or record confidential.

With certain exceptions, section 6 of this bill provides that, notwithstanding any provision of law that has declared a public book or record, or a part thereof, to be confidential, once a public book or record has been in the legal custody or control of one or more governmental entities for a period of at least 30 years, a person may apply to the appropriate district court for an order allowing him to inspect or copy the public book or record. If the public book or record pertains to a natural person, a person may not apply for such a court order until 30 years after the book or record has been in the legal custody or control of a governmental entity or the death of the person to whom the book or record pertains, whichever is later. Section 218 of this bill clarifies that a person may apply for such an order on or after

October 1, 2007, the effective date of the bill, to inspect or copy public books or records that already meet the conditions set forth in section 6.

Section 5 of this bill provides that in any judicial or administrative proceeding in which the confidentiality of a public book or record is at issue and the governmental entity that has legal custody or control of the public book or record asserts that the public book or record is confidential, the governmental entity has the burden of proving such confidentiality.

~~§ Sections 3 and 7 of this bill provide that although a nongovernmental entity which performs certain functions for or on behalf of a governmental entity is considered a governmental entity for the purposes of Nevada's public records law (chapter 239 of NRS), the records of a nongovernmental entity that are directly related to the administration, management or regulation of an activity, program, institution or facility for or on behalf of a governmental entity are public records that must be open for inspection and copying. Section 3 specifically excludes financial or other proprietary records of a nongovernmental entity from this requirement.~~

Section 8 of this bill provides that a governmental entity shall not deny a request to inspect or copy a public book or record because the public book or record contains information that is confidential if the governmental entity can redact the confidential information.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 123.

Remarks by Senator Raggio.

Motion carried by a constitutional majority.

Bill ordered enrolled.

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 516, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment Nos. 895 and 1031 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 40, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions governing the compensation and reimbursement of certain elected county officers. (BDR 20-225)"

"AN ACT relating to public officers; revising the provisions governing the compensation of certain elected county officers; revising certain provisions relating to the payment of per diem allowances and travel expenses; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 1 of this bill increases, by ~~2~~ 4 percent for each of Fiscal Years 2007-2008, 2008-2009, 2009-2010 and 2010-2011, the maximum amount at which the board of county commissioners may set the annual salary for a county commissioner of that county. Section 1 also increases ~~by 3 percent for each of Fiscal Years 2007-2008, 2008-2009, 2009-2010 and 2010-2011,~~ the compensation to be paid to certain other elected county officers. For Fiscal Year 2007-2008, the total increase is 7 percent, which includes a base salary increase of 4 percent and an additional increase in compensation of 3 percent. For each of Fiscal Years 2008-2009, 2009-2010 and 2010-2011, the increase in compensation is 3 percent.
(NRS 245.043)

Under existing law, a board of county commissioners must reimburse an eligible county or township officer or employee of the county for the actual living expenses incurred during travel conducted for the transaction of public business and may allow reimbursement for traveling by private conveyance, but if a private conveyance is used for reasons of personal convenience in the transaction of state business, the standard mileage reimbursement rate for traveling by private conveyance is limited to one-half the established rate for which a deduction is allowed for the purposes of federal income tax. (NRS 245.060, 281.160) Section 2.5 of this bill allows the board of county commissioners of a county to provide to such an officer or employee a per diem allowance and travel expenses at the full rate established for employees of the Federal Government, provided that the travel for the transaction of public business is for a period of not more than 5 consecutive working days at a time.

Pursuant to section 3 of this bill, the increases in salary and compensation applicable pursuant to ~~the~~ section 1 of this bill for: (1) Fiscal Year 2007-2008, become effective on July 1, 2007; (2) Fiscal Year 2008-2009, become effective on July 1, 2008; (3) Fiscal Year 2009-2010, become effective on July 1, 2009; and (4) Fiscal Year 2010-2011, become effective on July 1, 2010. However, section 4 of this bill authorizes a county that has not commenced payment of the increased annual salaries to request and receive a waiver from payment of the increases based on insufficient financial resources. If a waiver is granted for any fiscal year, section 4 prohibits retroactive payment of the increases for that fiscal year.

Section 1 of this bill also changes the salary classification of Storey County ~~to~~ to the category of a county of class 4, thereby increasing the amount of the annual salaries paid to its elected county officers. Section 3.5 of this bill provides that the change in the salary classification of Storey County is retroactive to January 1, 2003, for the purpose of determining the maximum salary payable to members of the board of county commissioners of Storey County. Section 2 of this bill clarifies that county commissioners are eligible for longevity pay. (NRS 245.044)

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 245.043 is hereby amended to read as follows:

245.043 1. As used in this section:

(a) "County" includes Carson City.

(b) "County commissioner" includes the Mayor and supervisors of Carson City.

2. Except as otherwise provided by any special law, the elected officers of the counties of this State are entitled to receive, for the appropriate fiscal year, annual salaries in the base amounts specified in the following table. The annual salaries are in full payment for all services required by law to be performed by such officers. Except as otherwise provided by law, all fees and commissions collected by such officers in the performance of their duties must be paid into the county treasury each month without deduction of any nature.

ANNUAL SALARIES

Class	County	District Attorney	Sheriff	County Clerk	County Assessor	County Recorder	County Treasurer	Public Administrator
1	Clark	~~155,745~~	~~134,263~~	~~91,138~~	~~91,138~~	~~91,138~~	~~91,138~~	~~91,138~~
	FY 2007-2008	~~160,447~~	~~138,291~~	~~93,872~~	~~93,872~~	~~93,872~~	~~93,872~~	~~93,872~~
		166,647	143,661	97,518	97,518	97,518	97,518	97,518
	FY 2008-2009	~~165,230~~	~~142,440~~	~~96,668~~	~~96,668~~	~~96,668~~	~~96,668~~	~~96,668~~
		171,647	147,971	100,443	100,443	100,443	100,443	100,443
	FY 2009-2010	~~170,187~~	~~146,713~~	~~99,589~~	~~99,589~~	~~99,589~~	~~99,589~~	~~99,589~~
		176,796	152,410	103,456	103,456	103,456	103,456	103,456
	FY 2010-2011	~~175,293~~	~~151,114~~	~~102,577~~	~~102,577~~	~~102,577~~	~~102,577~~	~~102,577~~
		182,100	156,983	106,560	106,560	106,560	106,560	106,560
2	Washoe	~~137,485~~	~~110,632~~	~~83,543~~	~~83,543~~	~~83,543~~	~~83,543~~	~~83,543~~
	FY 2007-2008	~~141,610~~	~~113,951~~	~~86,049~~	~~86,049~~	~~86,049~~	~~86,049~~	~~86,049~~
		147,109	118,376	89,391	89,391	89,391	89,391	89,391
	FY 2008-2009	~~145,858~~	~~117,370~~	~~88,630~~	~~88,630~~	~~88,630~~	~~88,630~~	~~88,630~~
		151,522	121,928	92,073	92,073	92,073	92,073	92,073
	FY 2009-2010	~~150,234~~	~~120,891~~	~~91,289~~	~~91,289~~	~~91,289~~	~~91,289~~	~~91,289~~
		156,068	125,585	94,835	94,835	94,835	94,835	94,835
	FY 2010-2011	~~154,744~~	~~124,518~~	~~94,028~~	~~94,028~~	~~94,028~~	~~94,028~~	~~94,028~~
		160,750	129,353	97,680	97,680	97,680	97,680	97,680
3	Carson City	~~98,707~~	~~81,846~~	~~65,012~~	~~65,012~~	~~65,012~~	~~65,012~~	~~65,012~~

FY 2007-2008	~~101,668~~	~~84,301~~	~~66,962~~	~~66,962~~	~~66,962~~	~~66,962~~	‡
	105,616	87,575	69,563	69,563	69,563	69,563	
FY 2008-2009	~~104,718~~	~~86,830~~	~~68,971~~	~~68,971~~	~~68,971~~	~~68,971~~	‡
	108,785	90,202	71,650	71,650	71,650	71,650	
FY 2009-2010	~~107,860~~	~~89,435~~	~~71,040~~	~~71,040~~	~~71,040~~	~~71,040~~	‡
	112,049	92,909	73,799	73,799	73,799	73,799	
FY 2010-2011	~~111,096~~	~~92,118~~	~~73,171~~	~~73,171~~	~~73,171~~	~~73,171~~	‡
	115,410	95,696	76,013	76,013	76,013	76,013	
Churchill	198,707	81,846	65,012	65,012	65,012	-----	-----‡
FY 2007-2008	~~101,668~~	~~84,301~~	~~66,962~~	~~66,962~~	~~66,962~~	~~66,962~~	‡
	105,616	87,575	69,563	69,563	69,563	69,563	
FY 2008-2009	~~104,718~~	~~86,830~~	~~68,971~~	~~68,971~~	~~68,971~~	~~68,971~~	‡
	108,785	90,202	71,650	71,650	71,650	71,650	
FY 2009-2010	~~107,860~~	~~89,435~~	~~71,040~~	~~71,040~~	~~71,040~~	~~71,040~~	‡
	112,049	92,909	73,799	73,799	73,799	73,799	
FY 2010-2011	~~111,096~~	~~92,118~~	~~73,171~~	~~73,171~~	~~73,171~~	~~73,171~~	‡
	115,410	95,696	76,013	76,013	76,013	76,013	
Douglas	198,707	81,846	65,012	65,012	65,012	-----	-----‡
FY 2007-2008	~~101,668~~	~~84,301~~	~~66,962~~	~~66,962~~	~~66,962~~	~~66,962~~	‡
	105,616	87,575	69,563	69,563	69,563	69,563	
FY 2008-2009	~~104,718~~	~~86,830~~	~~68,971~~	~~68,971~~	~~68,971~~	~~68,971~~	‡
	108,785	90,202	71,650	71,650	71,650	71,650	
FY 2009-2010	~~107,860~~	~~89,435~~	~~71,040~~	~~71,040~~	~~71,040~~	~~71,040~~	‡
	112,049	92,909	73,799	73,799	73,799	73,799	
FY 2010-2011	~~111,096~~	~~92,118~~	~~73,171~~	~~73,171~~	~~73,171~~	~~73,171~~	‡
	115,410	95,696	76,013	76,013	76,013	76,013	
Elko	198,707	81,846	65,012	65,012	65,012	65,012	-----‡
FY 2007-2008	~~101,668~~	~~84,301~~	~~66,962~~	~~66,962~~	~~66,962~~	~~66,962~~	‡
	105,616	87,575	69,563	69,563	69,563	69,563	
FY 2008-2009	~~104,718~~	~~86,830~~	~~68,971~~	~~68,971~~	~~68,971~~	~~68,971~~	‡
	108,785	90,202	71,650	71,650	71,650	71,650	
FY 2009-2010	~~107,860~~	~~89,435~~	~~71,040~~	~~71,040~~	~~71,040~~	~~71,040~~	‡
	112,049	92,909	73,799	73,799	73,799	73,799	
FY 2010-2011	~~111,096~~	~~92,118~~	~~73,171~~	~~73,171~~	~~73,171~~	~~73,171~~	‡
	115,410	95,696	76,013	76,013	76,013	76,013	
Humboldt	198,707	81,846	65,012	65,012	65,012	65,012	-----‡
FY 2007-2008	~~101,668~~	~~84,301~~	~~66,962~~	~~66,962~~	~~66,962~~	~~66,962~~	‡
	105,616	87,575	69,563	69,563	69,563	69,563	
FY 2008-2009	~~104,718~~	~~86,830~~	~~68,971~~	~~68,971~~	~~68,971~~	~~68,971~~	‡
	108,785	90,202	71,650	71,650	71,650	71,650	
FY 2009-2010	~~107,860~~	~~89,435~~	~~71,040~~	~~71,040~~	~~71,040~~	~~71,040~~	‡
	112,049	92,909	73,799	73,799	73,799	73,799	
FY 2010-2011	~~111,096~~	~~92,118~~	~~73,171~~	~~73,171~~	~~73,171~~	~~73,171~~	‡
	115,410	95,696	76,013	76,013	76,013	76,013	
Lyon	198,707	81,846	65,012	65,012	65,012	-----	-----‡
FY 2007-2008	~~101,668~~	~~84,301~~	~~66,962~~	~~66,962~~	~~66,962~~	~~66,962~~	‡
	105,616	87,575	69,563	69,563	69,563	69,563	
FY 2008-2009	~~104,718~~	~~86,830~~	~~68,971~~	~~68,971~~	~~68,971~~	~~68,971~~	‡
	108,785	90,202	71,650	71,650	71,650	71,650	
FY 2009-2010	~~107,860~~	~~89,435~~	~~71,040~~	~~71,040~~	~~71,040~~	~~71,040~~	‡
	112,049	92,909	73,799	73,799	73,799	73,799	
FY 2010-2011	~~111,096~~	~~92,118~~	~~73,171~~	~~73,171~~	~~73,171~~	~~73,171~~	‡
	115,410	95,696	76,013	76,013	76,013	76,013	
Nye	198,707	81,846	65,012	65,012	65,012	65,012	-----‡
FY 2007-2008	~~101,668~~	~~84,301~~	~~66,962~~	~~66,962~~	~~66,962~~	~~66,962~~	‡
	105,616	87,575	69,563	69,563	69,563	69,563	
FY 2008-2009	~~104,718~~	~~86,830~~	~~68,971~~	~~68,971~~	~~68,971~~	~~68,971~~	‡
	108,785	90,202	71,650	71,650	71,650	71,650	
FY 2009-2010	~~107,860~~	~~89,435~~	~~71,040~~	~~71,040~~	~~71,040~~	~~71,040~~	‡
	112,049	92,909	73,799	73,799	73,799	73,799	
FY 2010-2011	~~111,096~~	~~92,118~~	~~73,171~~	~~73,171~~	~~73,171~~	~~73,171~~	‡
	115,410	95,696	76,013	76,013	76,013	76,013	
Lander	193,223	73,662	54,227	54,227	54,227	54,227	-----‡
FY 2007-2008	~~196,020~~	~~75,872~~	~~55,854~~	~~55,854~~	~~55,854~~	~~55,854~~	‡

		<u>99,749</u>	<u>78,818</u>	<u>58,023</u>	<u>58,023</u>	<u>58,023</u>	<u>58,023</u>	
FY 2008-2009		~~98,901~~	~~78,148~~	~~57,530~~	~~57,530~~	~~57,530~~	~~57,530~~	‡
		<u>102,741</u>	<u>81,183</u>	<u>59,764</u>	<u>59,764</u>	<u>59,764</u>	<u>59,764</u>	
FY 2009-2010		~~101,868~~	~~80,492~~	~~59,256~~	~~59,256~~	~~59,256~~	~~59,256~~	‡
		<u>105,823</u>	<u>83,618</u>	<u>61,556</u>	<u>61,556</u>	<u>61,556</u>	<u>61,556</u>	
FY 2010-2011		~~104,924~~	~~82,907~~	~~61,034~~	~~61,034~~	~~61,034~~	~~61,034~~	‡
		<u>108,998</u>	<u>86,127</u>	<u>63,403</u>	<u>63,403</u>	<u>63,403</u>	<u>63,403</u>	
Storey								
FY 2007-2008		~~96,020~~	~~75,872~~	~~55,854~~	~~55,854~~	~~55,854~~	~~55,854~~	‡
		<u>99,749</u>	<u>78,818</u>	<u>58,023</u>	<u>58,023</u>	<u>58,023</u>	<u>58,023</u>	
FY 2008-2009		~~98,901~~	~~78,148~~	~~57,530~~	~~57,530~~	~~57,530~~	~~57,530~~	‡
		<u>102,741</u>	<u>81,183</u>	<u>59,764</u>	<u>59,764</u>	<u>59,764</u>	<u>59,764</u>	
FY 2009-2010		~~101,868~~	~~80,492~~	~~59,256~~	~~59,256~~	~~59,256~~	~~59,256~~	‡
		<u>105,823</u>	<u>83,618</u>	<u>61,556</u>	<u>61,556</u>	<u>61,556</u>	<u>61,556</u>	
FY 2010-2011		~~104,924~~	~~82,907~~	~~61,034~~	~~61,034~~	~~61,034~~	~~61,034~~	‡
		<u>108,998</u>	<u>86,127</u>	<u>63,403</u>	<u>63,403</u>	<u>63,403</u>	<u>63,403</u>	
White Pine		<u>93,223</u>	<u>73,662</u>	<u>54,227</u>	<u>54,227</u>	<u>54,227</u>	<u>54,227</u>	-----}
FY 2007-2008		~~96,020~~	~~75,872~~	~~55,854~~	~~55,854~~	~~55,854~~	~~55,854~~	‡
		<u>99,749</u>	<u>78,818</u>	<u>58,023</u>	<u>58,023</u>	<u>58,023</u>	<u>58,023</u>	
FY 2008-2009		~~98,901~~	~~78,148~~	~~57,530~~	~~57,530~~	~~57,530~~	~~57,530~~	‡
		<u>102,741</u>	<u>81,183</u>	<u>59,764</u>	<u>59,764</u>	<u>59,764</u>	<u>59,764</u>	
FY 2009-2010		~~101,868~~	~~80,492~~	~~59,256~~	~~59,256~~	~~59,256~~	~~59,256~~	‡
		<u>105,823</u>	<u>83,618</u>	<u>61,556</u>	<u>61,556</u>	<u>61,556</u>	<u>61,556</u>	
FY 2010-2011		~~104,924~~	~~82,907~~	~~61,034~~	~~61,034~~	~~61,034~~	~~61,034~~	‡
		<u>108,998</u>	<u>86,127</u>	<u>63,403</u>	<u>63,403</u>	<u>63,403</u>	<u>63,403</u>	
5 Eureka		<u>82,256</u>	<u>58,929</u>	<u>48,607</u>	<u>48,607</u>	<u>48,607</u>	-----	-----}
FY 2007-2008		~~84,724~~	~~60,697~~	~~50,065~~	~~50,065~~	~~50,065~~		‡
		<u>88,014</u>	<u>63,054</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	
FY 2008-2009		~~87,266~~	~~62,518~~	~~51,567~~	~~51,567~~	~~51,567~~		‡
		<u>90,654</u>	<u>64,946</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	
FY 2009-2010		~~89,884~~	~~64,394~~	~~53,114~~	~~53,114~~	~~53,114~~		‡
		<u>93,374</u>	<u>66,894</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	
FY 2010-2011		~~92,581~~	~~66,326~~	~~54,707~~	~~54,707~~	~~54,707~~		‡
		<u>96,175</u>	<u>68,901</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	
Lincoln		<u>82,256</u>	<u>58,929</u>	<u>48,607</u>	<u>48,607</u>	<u>48,607</u>	<u>48,607</u>	-----}
FY 2007-2008		~~84,724~~	~~60,697~~	~~50,065~~	~~50,065~~	~~50,065~~		‡
		<u>88,014</u>	<u>63,054</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	
FY 2008-2009		~~87,266~~	~~62,518~~	~~51,567~~	~~51,567~~	~~51,567~~		‡
		<u>90,654</u>	<u>64,946</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	
FY 2009-2010		~~89,884~~	~~64,394~~	~~53,114~~	~~53,114~~	~~53,114~~		‡
		<u>93,374</u>	<u>66,894</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	
FY 2010-2011		~~92,581~~	~~66,326~~	~~54,707~~	~~54,707~~	~~54,707~~		‡
		<u>96,175</u>	<u>68,901</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	
Mineral		<u>82,256</u>	<u>58,929</u>	<u>48,607</u>	<u>48,607</u>	<u>48,607</u>	-----	-----}
FY 2007-2008		~~84,724~~	~~60,697~~	~~50,065~~	~~50,065~~	~~50,065~~		‡
		<u>88,014</u>	<u>63,054</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	
FY 2008-2009		~~87,266~~	~~62,518~~	~~51,567~~	~~51,567~~	~~51,567~~		‡
		<u>90,654</u>	<u>64,946</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	
FY 2009-2010		~~89,884~~	~~64,394~~	~~53,114~~	~~53,114~~	~~53,114~~		‡
		<u>93,374</u>	<u>66,894</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	
FY 2010-2011		~~92,581~~	~~66,326~~	~~54,707~~	~~54,707~~	~~54,707~~		‡
		<u>96,175</u>	<u>68,901</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	
Pershing		<u>82,256</u>	<u>58,929</u>	<u>48,607</u>	<u>48,607</u>	<u>48,607</u>	-----	-----}
FY 2007-2008		~~84,724~~	~~60,697~~	~~50,065~~	~~50,065~~	~~50,065~~		‡
		<u>88,014</u>	<u>63,054</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	<u>52,009</u>	
FY 2008-2009		~~87,266~~	~~62,518~~	~~51,567~~	~~51,567~~	~~51,567~~		‡
		<u>90,654</u>	<u>64,946</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	<u>53,570</u>	
FY 2009-2010		~~89,884~~	~~64,394~~	~~53,114~~	~~53,114~~	~~53,114~~		‡
		<u>93,374</u>	<u>66,894</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	<u>55,177</u>	
FY 2010-2011		~~92,581~~	~~66,326~~	~~54,707~~	~~54,707~~	~~54,707~~		‡
		<u>96,175</u>	<u>68,901</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	<u>56,832</u>	
[Storey]		<u>82,256</u>	<u>58,929</u>	<u>48,607</u>	<u>48,607</u>	<u>48,607</u>	-----	-----}
6 Esmeralda		<u>65,314</u>	<u>52,382</u>	<u>42,531</u>	<u>42,531</u>	<u>42,531</u>	-----	-----}
FY 2007-2008		~~67,273~~	~~53,953~~	~~43,807~~	~~43,807~~	~~43,807~~		‡

	~~69,886~~	~~56,049~~	~~45,508~~	~~45,508~~	~~45,508~~	
FY 2008-2009	~~69,294~~	~~55,572~~	~~45,424~~	~~45,424~~	~~45,424~~	‡
	~~71,983~~	~~57,730~~	~~46,873~~	~~46,873~~	~~46,873~~	
FY 2009-2010	~~74,370~~	~~57,239~~	~~46,475~~	~~46,475~~	~~46,475~~	‡
	~~74,142~~	~~59,462~~	~~48,280~~	~~48,280~~	~~48,280~~	
FY 2010-2011	~~73,544~~	~~58,956~~	~~47,869~~	~~47,869~~	~~47,869~~	‡
	~~76,366~~	~~61,246~~	~~49,728~~	~~49,728~~	~~49,728~~	

3. A board of county commissioners may, by a vote of at least a majority of all the members of the board, set the annual salary for the county commissioners of that county, but in no event may the annual salary exceed an amount which equals ~~{126.65}~~ :

- (a) For Fiscal Year 2007-2008, ~~{130.450}~~ 131.716 percent ;
- (b) For Fiscal Year 2008-2009, ~~{134.364}~~ 136.985 percent;
- (c) For Fiscal Year 2009-2010, ~~{138.295}~~ 142.464 percent; and
- (d) For Fiscal Year 2010-2011, ~~{142.547}~~ 148.163 percent,

of the amount of the annual salary for the county commissioners of that county that was in effect by operation of statute on January 1, 2003.

Sec. 2. NRS 245.044 is hereby amended to read as follows:

245.044 1. On and after July 1, 1973, if an elected county officer has served in his office for more than 4 years, he is entitled to an additional salary of 2 percent of his base salary *for the appropriate fiscal year as provided in subsection 2 of NRS 245.043 or his annual salary set pursuant to subsection 3 of NRS 245.043, as applicable*, for each full calendar year he has served in his office.

2. The additional salary provided in this section for an eligible county officer:

(a) Must be computed on July 1 of each year by multiplying 2 percent of the base salary *for the appropriate fiscal year as provided in subsection 2 of NRS 245.043 or the annual salary set pursuant to subsection 3 of NRS 245.043, as applicable*, by the number of full calendar years the elected county officer has served in his office; and

(b) Must not exceed 20 percent of the base salary *for the appropriate fiscal year as provided in subsection 2 of NRS 245.043 or the annual salary set pursuant to subsection 3 of NRS 245.043, as applicable*.

3. Service on the Board of Supervisors of Carson City for the initial term which began on July 1, 1969, and ended on the first Monday of January, 1973, shall be deemed to constitute 4 full calendar years of service for the purposes of this section.

Sec. 2.5. *NRS 245.060 is hereby amended to read as follows:*

245.060 ~~{14}~~

1. *Except as otherwise provided in subsection 2, if a county or township officer or an employee of the county is entitled to receive reimbursement for his necessary traveling expenses for the transaction of public business, such reimbursement must include actual living expenses, but the amount allowed for traveling by private conveyance must not exceed the amount charged by public conveyance. Where it appears to the satisfaction of the board of county commissioners that travel by private conveyance is more economical, or where it appears that, owing to train, airplane or bus schedules or for other reasons, travel by public conveyance is impractical, or in case a part of the route traveled is not covered by public conveyance, the board of county commissioners, in its discretion, may allow for traveling by private conveyance an amount not to exceed the maximum per-mile allowance for travel by private conveyance of state officers and employees specified in subsection 3 of NRS 281.160.*

2. *The board of county commissioners of a county may provide, to any county or township officer or employee of the county who is required to travel for the transaction of public business for a period of not more than 5 consecutive working days at a time, a per diem allowance and travel expenses at the same rate as the comparable rate established for employees of the Federal Government by the Administrator of General Services pursuant to 5 U.S.C. § 5707, excluding any federal requirement, restriction or other condition which is applicable to that comparable rate.*

Sec. 3. Except as otherwise provided in section 4 of this act, each county shall commence payment of the increased annual salaries of the elected officers of the county set forth in the table of annual salaries contained in subsection 2 of NRS 245.043, as amended by section 1 of this act:

1. For Fiscal Year 2007-2008, on July 1, 2007.
2. For Fiscal Year 2008-2009, on July 1, 2008.
3. For Fiscal Year 2009-2010, on July 1, 2009.
4. For Fiscal Year 2010-2011, on July 1, 2010.

Sec. 3.5. For the purposes of calculating the maximum salary that may be paid to a county commissioner pursuant to the provisions of subsection 3 of NRS 245.043, as amended by section 1 of this act, Storey County shall be deemed to have been categorized as a county of class 4 on January 1, 2003.

Sec. 4. 1. Except as otherwise provided in subsection 3, a board of county commissioners may apply to the Committee on Local Government Finance for a waiver from the requirement to increase the annual salaries of elected officers of the county to the annual salaries set forth in the table contained in subsection 2 of NRS 245.043, as amended by section 1 of this act, for any of Fiscal Years 2007-2008, 2008-2009, 2009-2010 or 2010-2011, if the board determines that the financial resources of the county are insufficient to pay those increased annual salaries in the applicable fiscal year. The Committee on Local Government Finance shall grant such a waiver if it finds that the financial resources of the county are insufficient to pay those increased annual salaries in the applicable fiscal year.

2. A board of county commissioners that has been granted a waiver for a fiscal year as described in subsection 1 may apply to the Committee on Local Government Finance for an additional waiver for the next consecutive fiscal year if the board determines that the financial resources of the county continue to be insufficient to pay the increased annual salaries of the elected officers of the county set forth in the table contained in subsection 2 of NRS 245.043, as amended by section 1 of this act, in that fiscal year. There is no limitation on the number of waivers for consecutive fiscal years that the board of county commissioners may be granted if the board determines that the financial resources of the county continue to be insufficient to pay the increased annual salaries of the elected officers of the county set forth in the table contained in subsection 2 of NRS 245.043, as amended by section 1 of this act, in that fiscal year.

3. After commencing payment of the increased annual salaries of the elected officers of the county set forth in the table contained in subsection 2 of NRS 245.043, as amended by section 1 of this act, in any fiscal year, a board of county commissioners may not apply for a waiver in any subsequent fiscal year.

4. The increased annual salaries of the elected officers of the county set forth in the table contained in subsection 2 of NRS 245.043, as amended by section 1 of this act, must not be paid retroactively for any fiscal year for which a waiver was granted to the county pursuant to subsection 1.

Sec. 5. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 6. This act becomes effective on July 1, 2007.

JOHN J. LEE

WILLIAM J. RAGGIO

WARREN B. HARDY II

Senate Conference Committee

KELVIN D. ATKINSON

HARVEY J. MUNFORD

JAMES SETTELMAYER

Assembly Conference Committee

Senator Lee moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 516.

Remarks by Senator Lee.

Senators Titus, Carlton and Wiener requested a roll call vote on Senator Lee's motion.

Roll call on Senator Lee's motion:

YEAS—12.

NAYS—Beers, Carlton, Cegavske, Heck, Horsford, Mathews, Titus, Wiener, Woodhouse—9.

The motion having received a constitutional majority, Mr. President declared it carried.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 460, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 995 of the Senate be receded from and a 4th reprint be created in accordance with this action.

MAURICE E. WASHINGTON
BARBARA K. CEGAVSKE
WILLIAM J. RAGGIO

BONNIE PARNELL
RUBEN KIHUEN
BOB BEERS

Senate Conference Committee

Assembly Conference Committee

Senator Washington moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 460.

Remarks by Senator Washington.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 304, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 911 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 29, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes to provisions relating to manufactured home parks. (BDR 10-1119)"

"AN ACT relating to ~~manufactured home parks~~; housing; authorizing a person who makes a payment toward the purchase of a manufactured home to bring an action to rescind a contract or recover damages under certain circumstances; revising the provisions relating to the review of rental agreements and other residency documents; revising the provisions relating to certain repairs to a manufactured home; making changes pertaining to rules and regulations of a manufactured home park; revising the provisions relating to meetings between a landlord and tenants under certain circumstances; requiring a landlord to pay certain costs associated with the conversion of a manufactured home park; increasing the amount of the limitation on the lien of a landlord; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law regulates manufactured home parks and various activities of landlords and tenants in those parks. (Chapter 118B of NRS) Section 3 of this bill provides that, if a person makes a payment toward the purchase of a manufactured home in reasonable reliance upon a prospectus or any other material written statement contained in promotional materials relating to the manufactured home, and if the prospectus or written statement is proven to be false or misleading, the person may bring an action to rescind a contract or to recover damages and reasonable attorney's fees from the landlord or manufactured home dealer.

Existing law establishes provisions relating to rental agreements and other residency documents. (NRS 118B.040) Section ~~4~~ 5 of this bill removes the requirement that a landlord must allow a tenant to review such documents for 72 hours during which time a landlord is not prevented from accepting another tenant for the same residency. Instead, section ~~4~~ 5 requires a landlord before requiring or accepting any application fee, to give a prospective tenant a copy of the rental agreement, a copy of the rules and regulations of the manufactured home park, any existing notices of the sale, closure or conversion of the manufactured home park, the criteria used in deciding whether to accept an applicant, the maintenance responsibilities of the landlord and any other residency documents. ~~(before requiring or accepting any application fee.)~~

Existing law sets forth requirements relating to the repair of a manufactured home and prohibits a landlord from allowing a third party to make such repairs under certain circumstances. (NRS 118B.097) Section ~~4~~ 7 of this bill replaces a prohibition on allowing a third party to make repairs that affect life, health or safety with a list of specific repairs that a landlord may not allow a third party to make. Section ~~4~~ 7 also prohibits landlords from employing certain persons to make such repairs. Further, section ~~4~~ 7 requires the Administrator

of the Manufactured Housing Division of the Department of Business and Industry to adopt regulations to specify the repairs that a person without an applicable license may make to a manufactured home.

Section ~~(2)~~ 8 of this bill revises the provisions relating to a landlord's adoption of rules and regulations concerning a manufactured home park and provides that a properly adopted or amended rule or regulation supersedes any inconsistent prior rule or regulation. (NRS 118B.100) Section ~~(2)~~ 8 also requires a landlord to provide a copy of such rules and regulations to a tenant at the time the tenant enters into a rental agreement.

Existing law establishes provisions relating to meetings between a landlord and representative groups of tenants to hear complaints and suggestions regarding a manufactured home park. (NRS 118B.110) Section ~~(4)~~ 9 of this bill provides for a natural person designated by the owner to meet with tenants for such purposes. Section ~~(4)~~ 9 also prohibits a manager from meeting with tenants for such purposes unless the manager, the landlord and the owner are all the same natural person.

Existing law requires a landlord to pay to a tenant the costs of moving the tenant or the fair market value of a manufactured home under certain circumstances during the closing or conversion of a manufactured home park. (NRS ~~118B.130, 118B.177, 118B.180, 118B.183~~) ~~(Section 5)~~ Sections 10-13 of this bill ~~(require)~~ require a landlord to pay costs associated with moving a tenant's manufactured home to a new location in this State or another state that is within 100 miles from the manufactured home park and to pay various other costs for the tenant, including determining the fair market value of ~~(such manufactured homes)~~ the manufactured home and the reasonable cost of removing and disposing of ~~(such homes)~~ the manufactured home.

Section ~~(6.5)~~ 15 of this bill increases the limitation on the amount of a lien that a landlord may hold for the total amount due and unpaid for rentals and utilities from \$2,000 to ~~(\$5,000)~~ \$2,500.

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

Section 1. Chapter 118B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. "Appurtenance" means a structure, installation, facility, amenity or other improvement that is appurtenant to or benefits one or more manufactured homes, but is not a part of the manufactured home. The term includes, without limitation, skirting, ramps, cabanas, carports, porches, awnings, sheds and other structures, installations, facilities and amenities associated with or benefiting one or more manufactured homes.

Sec. 3. A person who makes a payment toward the purchase of a manufactured home or the placement of a manufactured home on a manufactured home lot in a manufactured home park in reasonable reliance upon any material written statement contained in promotional materials relating to the manufactured home or manufactured home park, including, without limitation:

1. A prospectus;
2. Exhibits produced in support of a prospectus;
3. A brochure; or
4. A newspaper advertisement.

that proves to be false or misleading may bring an action in a court of competent jurisdiction to rescind any contract or agreement and may recover damages and reasonable attorney's fees from the landlord or manufactured home dealer that issued the false or misleading material written statement.

Sec. 4. NRS 118B.010 is hereby amended to read as follows:

118B.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 118B.011 to 118B.0195, inclusive, and section 2 of this act have the meanings ascribed to them in those sections.

~~(Section 1.)~~ Sec. 5. NRS 118B.040 is hereby amended to read as follows:

118B.040 1. ~~[An approved applicant for residency may request 72 hours to review the proposed rental agreement or lease, the rules and regulations of the manufactured home park and other residency documents. Upon receiving such a request, the landlord shall allow the approved applicant to review the documents for 72 hours. This review period does not, however, prevent~~

~~the landlord from accepting another tenant for the space or residency while the 72 hours is pending.~~ Before requiring or accepting payment of any application fee, a landlord shall give to a prospective tenant who may rent or lease a manufactured home lot:

- (a) A copy of the rental agreement or lease;
- (b) A copy of the rules and regulations governing the manufactured home park;
- (c) Any notices of the sale, closure or conversion of the manufactured home park that must be provided to tenants pursuant to the provisions of this chapter; ~~and~~
- (d) The criteria used by the manufactured home park in deciding whether to accept an applicant;
- (e) A list of every increase in rent during the last 5 years for the manufactured home lot;
- (f) The maintenance responsibilities of the landlord pursuant to NRS 118B.090; and
- (g) Any other residency documents.

2. A rental agreement or lease between a landlord and tenant to rent or lease any manufactured home lot must be in writing. The landlord shall give the tenant a copy of the agreement or lease at the time the tenant signs it.

3. A rental agreement or lease must contain, but is not limited to, provisions relating to:
- (a) The duration of the agreement ~~or lease~~.
 - (b) The amount of rent, the manner and time of its payment and the amount of any charges for late payment and dishonored checks.
 - (c) Restrictions on occupancy by children or pets.
 - (d) Services and utilities included with the rental of a lot and the responsibility of maintaining or paying for them, including the charge, if any, for cleaning the lots.
 - (e) Deposits which may be required and the conditions for their refund.
 - (f) Maintenance which the tenant is required to perform and any appurtenances he is required to provide.
 - (g) The name and address of the owner of the manufactured home park and his authorized agent.
 - (h) Any restrictions on subletting.
 - (i) Any recreational facilities and other amenities provided to the tenant and any deposits or fees required for their use.
 - (j) Any restriction of the park to older persons pursuant to federal law.
 - (k) The dimensions of the manufactured home lot of the tenant.
 - (l) A summary of the provisions of NRS 202.470.
 - (m) Information regarding the procedure pursuant to which a tenant may report to the appropriate authorities:

- (1) A nuisance.
- (2) A violation of a building, safety or health code or regulation.
- (n) Information regarding the right of the tenant to engage in the display of the flag of the United States, as set forth in NRS 118B.143.
- (o) The amount to be charged each month to the tenant to reimburse the landlord for the cost of a capital improvement to the manufactured home park. Such an amount must be stated separately and include the length of time the charge will be collected and the total amount to be recovered by the landlord from all tenants in the manufactured home park.

(p) Any other fees to be charged to the tenant in addition to the base rent.

Sec. 6. NRS 118B.085 is hereby amended to read as follows:

118B.085 1. A landlord shall notify the Division, in writing, of his correct name, address and telephone number. If the landlord has employed a manager or assistant manager, or both, he shall also notify the Division, in writing, of the name, address and telephone number of any such manager and assistant manager of his park. After the initial notification, the landlord shall also send notice of the information required pursuant to this subsection within 45 days after:

- (a) Buying the park ~~;~~
- (b) Opening the park for occupancy ~~;~~
- (c) Changing managers or assistant managers ~~;~~ or
- (d) Changing his name, address or telephone number.

2. Upon receiving the notice required by subsection 1, the Administrator shall send the landlord, manager and assistant manager, as applicable, the text of the provisions of this chapter

and a form upon which the landlord, manager and assistant manager, as applicable, shall acknowledge that each has received those provisions and has read them. The landlord, manager and assistant manager, as applicable, shall return the acknowledged form to the Administrator within 10 days after receiving it.

~~{Sec. 2.}~~ Sec. 7. NRS 118B.097 is hereby amended to read as follows:

118B.097 1. If a repair to a manufactured home may affect ~~{life, health or safety}~~ the structural, electrical, plumbing, drainage, roofing, mechanical or solid fuel burning systems of the home, or requires a permit before the repair may be made, ~~{and}~~ the repair may be performed legally only by a person who is qualified by licensure ~~{or certification}~~ to perform such a repair ~~{, and}~~ and:

~~{1.}~~ (a) A person shall not perform the repair unless he has such qualifications; and

~~{2.}~~ (b) A tenant or a landlord, or his agent or employee, shall not ~~{allow}~~ employ a third party to perform the repair if he knows or, in light of all the surrounding facts and circumstances, reasonably should know that the third party does not have such qualifications.

2. The Administrator shall adopt regulations to specify the repairs that a person without an applicable license may make to a manufactured home in accordance with the provisions of this section and chapter 489 of NRS.

~~{Sec. 3.}~~ Sec. 8. NRS 118B.100 is hereby amended to read as follows:

118B.100 1. The landlord may adopt rules or regulations concerning the tenant's use and occupancy of the manufactured home lot and the grounds, areas and facilities of the manufactured home park held out for the use of tenants generally.

2. All such rules or regulations must be:

(a) Reasonably related to the purpose for which they are adopted;

(b) Sufficiently explicit in their prohibition, direction or limitation to inform the tenant of what he must do or not do for compliance;

(c) Adopted in good faith and not for the purpose of evading any obligation of the landlord arising under the law;

(d) Consistent with the provisions of this chapter and a general plan of operation, construction or improvement, and must not arbitrarily restrict conduct or require any capital improvement by the tenant which is not specified in the rental agreement or unreasonably require a change in any capital improvement made by the tenant and previously approved by the landlord unless the landlord can show that it is in the best interest of the other tenants; and

(e) Uniformly enforced against all tenants in the park, including the managers. Any rule or regulation which is not so uniformly enforced may not be enforced against any tenant.

3. No rule or regulation may be used to impose any additional charge for occupancy of a manufactured home lot or modify the terms of a rental agreement.

4. Except as otherwise provided in subsection 5, a rule or regulation is enforceable against the tenant only if he has notice of it at the time he enters into the rental agreement. A rule or regulation adopted or amended after the tenant enters into the rental agreement is not enforceable unless the tenant consents to it in writing or is given 60 days' notice of it in writing. The landlord may not adopt or amend a rule or regulation of the park unless a meeting of the tenants is held to discuss the proposal and the landlord provides each tenant with notice of the proposal and the date, time and place of the meeting not less than 60 days before the meeting. The notice must include a copy of the proposed adoption or amendment of the rule or regulation. A notice in a periodic publication of the park does not constitute notice for the purposes of this subsection.

5. A rule or regulation pertaining to recreational facilities in the manufactured home park must be in writing to be enforceable.

6. A rule or regulation adopted or amended in compliance with the provisions of this section supersedes any previously existing rule or regulation that conflicts with the adopted or amended rule or regulation. Only one version of any rules and regulations or any architectural standards may be in effect at any given time.

7. The landlord shall provide the tenant with a copy of the existing rules and regulations at the time the tenant enters into the rental agreement.

8. As used in this section, "capital improvement" means an addition or betterment made to a manufactured home located on a lot in a manufactured home park which is leased by the landlord that:

- (a) Consists of more than the repair or replacement of an existing facility;
- (b) Is required by federal law to be amortized over its useful life for the purposes of income tax; and
- (c) Has a useful life of 5 years or more.

~~{Sec. 4.}~~ Sec. 9. NRS 118B.110 is hereby amended to read as follows:

118B.110 1. The landlord *or a person designated pursuant to subsection 3* shall meet with a representative group of tenants occupying the park, chosen by the tenants, to hear any complaints or suggestions which concern a matter relevant to the park within 45 days after he receives a written request to do so which has been signed by persons occupying at least 25 percent of the lots in the park. The 25 percent must be calculated on the basis of one signature per occupied lot. The meeting must be held at a time and place which is convenient to the landlord *or person designated pursuant to subsection 3 and to the tenants*. The representative group of tenants must consist of no more than five persons.

2. At least 10 days before any meeting is held pursuant to this section, the landlord or his agent shall post a notice of the meeting in a conspicuous place in a common area of the park.

3. ~~{H}~~ Except as otherwise provided in subsection 4, if the landlord is ~~for~~:

(a) Sole proprietorship, the owner or an authorized agent or representative designated by the owner who has working knowledge of the operations of the park and authority to make decisions shall meet with the tenants.

(b) Partnership, a partner who has working knowledge of the operations of the park and authority to make decisions shall meet with the tenants.

(c) ~~Corporation, an officer designated by the corporation~~ not a natural person, the owner may designate an authorized agent or representative who has working knowledge of the operations of the park and who has authority to make decisions ~~{shall meet with the tenants}~~ concerning matters relevant to the park to meet with the tenants pursuant to this subsection.

4. A manager may not meet with the tenants pursuant to this section unless the manager, the landlord and the owner are all the same natural person.

5. If an attorney for the landlord attends a meeting held pursuant to this section, the landlord shall not prohibit the group of tenants from being represented by an attorney at that meeting.

~~{S}~~ 6. If the landlord of a manufactured home park is a cooperative association or a corporation for public benefit, the landlord shall provide a notice of the meeting to the Administrator and the Administrator or his representative shall attend the meeting.

~~{6}~~ 7. As used in this section:

(a) "Cooperative association" means an association formed pursuant to the provisions of NRS 81.170 to 81.270, inclusive.

(b) "Corporation for public benefit" has the meaning ascribed to it in NRS 82.021.

Sec. 10. NRS 118B.130 is hereby amended to read as follows:

118B.130 1. A landlord may not change:

(a) An existing park to a park for older persons pursuant to federal law unless the tenants who do not meet those restrictions and may lawfully be evicted are moved to other parks at the expense of the landlord; or

(b) The restriction of a park for older persons pursuant to federal law unless the tenants are given the option of remaining in their spaces or moving to other parks at the expense of the landlord.

2. A tenant who elects to move pursuant to a provision of subsection 1 ~~{must}~~ shall give the landlord notice in writing of his election to move within 75 days after receiving notice of the change in restrictions in the park.

3. At the time of providing notice of the change in restrictions in the park, the landlord shall provide to each tenant:

(a) The address and telephone number of the Division;

(b) Any list published by the Division setting forth the names of licensed transporters of manufactured homes approved by the Division; and

(c) Any list published by the Division setting forth the names of mobile home parks within 100 miles that have reported having vacant spaces.

4. If a landlord is required to move a tenant to another park pursuant to subsection 1, he shall pay:

(a) The cost of moving the tenant's manufactured home and its appurtenances to a new location in this State or another state within ~~50~~ 100 miles from the manufactured home park; or

(b) If the new location is more than ~~50~~ 100 miles from the manufactured home park, the cost of moving the manufactured home for the first ~~50~~ 100 miles, including fees for inspection, any deposits for connecting utilities and the cost of taking down, moving, setting up and leveling his manufactured home and its appurtenances in the new lot or park.

~~3.1~~ 5. If the landlord is unable to move a shed, due to its physical condition, that belongs to a tenant who has elected to have the landlord move his manufactured home, the landlord shall pay the tenant \$250 as reimbursement for the shed. Each tenant may receive only one payment of \$250 even if more than one shed is owned by the tenant.

6. If the tenant chooses not to move the manufactured home, the manufactured home cannot be moved without being structurally damaged or there is no manufactured home park within 100 miles that is willing to accept the manufactured home, the landlord:

(a) May remove and dispose of the manufactured home; and

(b) Shall pay to the tenant the fair market value of the manufactured home.

7. A landlord of a park in which restrictions have been or are being changed shall give written notice of the change to each:

(a) Tenant of the park who does not meet the new restrictions, ~~1.1~~; and

(b) Prospective tenant before the commencement of the tenancy.

8. For the purposes of this section, the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home must be determined by:

(a) A dealer licensed pursuant to chapter 489 of NRS who is agreed upon by the landlord and tenant; or

(b) If the landlord and tenant cannot agree pursuant to paragraph (a), a dealer licensed pursuant to chapter 489 of NRS who is selected for this purpose by the Division.

9. The landlord shall pay the costs associated with determining the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home pursuant to subsection 6.

Sec. 11. NRS 118B.177 is hereby amended to read as follows:

118B.177 1. If a landlord closes a manufactured home park, or if a landlord is forced to close a manufactured home park because of a valid order of a state or local governmental agency or court requiring the closure of the manufactured home park permanently for health or safety reasons, the landlord shall pay the ~~amount described in subsection 2 or 3, in accordance with the choice of the tenant,~~ amounts required by subsections 3, 4 and 5.

2. At the time of providing notice of the closure of the park, a landlord shall provide to each tenant:

(a) The address and telephone number of the Division;

(b) Any list published by the Division setting forth the names of licensed transporters of manufactured homes approved by the Division; and

(c) Any list published by the Division setting forth the names of mobile home parks within 100 miles that have reported having vacant spaces.

3. If the tenant chooses to move the manufactured home, the landlord shall pay to the tenant:

(a) The cost of moving each tenant's manufactured home and its appurtenances to a new location in this State or another state within ~~50~~ 100 miles from the manufactured home park; or

(b) If the new location is more than ~~50~~ 100 miles from the manufactured home park, the cost of moving the manufactured home for the first ~~50~~ 100 miles,

including fees for inspection, any deposits for connecting utilities, and the cost of taking down, moving, setting up and leveling the manufactured home and its appurtenances in the new lot or park.

~~3.1~~ 4. If the landlord is unable to move a shed, due to its physical condition, that belongs to a tenant who has elected to have the landlord move his manufactured home, the landlord shall

pay the tenant \$250 as reimbursement for the shed. Each tenant may receive only one payment of \$250 even if more than one shed is owned by the tenant.

5. If the tenant chooses not to move the manufactured home, the manufactured home cannot be moved without being structurally damaged, or there is no manufactured home park within ~~150~~ 100 miles that is willing to accept the manufactured home, the landlord:

- (a) May remove and dispose of the manufactured home; and
- (b) Shall pay to the tenant the fair market value of the manufactured home. ~~Less the reasonable cost of removing and disposing of the manufactured home.~~

~~4. 6.~~ Written notice of any closure must be served timely on each:

(a) Tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his manufactured home from the lot.

(b) Prospective tenant by:

- (1) Handing each prospective tenant or his agent a copy of the written notice; and
- (2) Maintaining a copy of the written notice at the entrance of the manufactured home park.

~~5. 7.~~ For the purposes of this section, the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home must be determined by:

(a) A dealer licensed pursuant to chapter 489 of NRS who is agreed upon by the landlord and tenant; or

(b) If the landlord and tenant cannot agree pursuant to paragraph (a), a dealer licensed pursuant to chapter 489 of NRS who is selected for this purpose by the Division.

~~6. 8.~~ The landlord shall pay the costs associated with determining the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home pursuant to subsection 5.

9. A landlord shall not increase the rent of a tenant after notice is served on the tenant as required by subsection ~~4.~~

~~7. 6.~~

10. As used in this section, "timely" means not later than 3 days after the landlord learns of a closure.

Sec. 12. NRS 118B.180 is hereby amended to read as follows:

118B.180 1. A landlord may convert an existing manufactured home park into individual manufactured home lots for sale to manufactured home owners if the change is approved by the appropriate local zoning board, planning commission or governing body. In addition to any other reasons, a landlord may apply for such approval if the landlord is forced to close the manufactured home park because of a valid order of a state or local governmental agency or court requiring the closure of the manufactured home park for health or safety reasons.

2. The landlord may undertake a conversion pursuant to this section only if:

(a) The landlord gives notice in writing to the Division and each tenant within 5 days after he files his application for the change in land use with the local zoning board, planning commission or governing body;

(b) The landlord offers, in writing, to sell the lot to the tenant at the same price the lot will be offered to the public and holds that offer open for at least 90 days or until the landlord receives a written rejection of the offer from the tenant, whichever occurs earlier;

(c) The landlord does not sell the lot to a person other than the tenant for 90 days after the termination of the offer required pursuant to paragraph (b) at a price or on terms that are more favorable than the price or terms offered to the tenant;

(d) If a tenant does not exercise his option to purchase the lot pursuant to paragraph (b), the landlord pays:

(1) The cost of moving the tenant's manufactured home and its appurtenances to a comparable location in this State or another state within ~~150~~ 100 miles from the manufactured home park; or

(2) If the new location is more than ~~150~~ 100 miles from the manufactured home park, the cost of moving the manufactured home for the first ~~150~~ 100 miles,

➤ including fees for inspection, any deposits for connecting utilities and the cost of taking down, moving, setting up and leveling his manufactured home and its appurtenances in the new lot or park; and

(e) After the landlord is granted final approval of the change by the appropriate local zoning board, planning commission or governing body, notice in writing is served on each tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his manufactured home from the lot.

3. At the time of providing notice of the conversion of the park pursuant to this section, a landlord shall provide to each tenant:

(a) The address and telephone number of the Division;

(b) Any list published by the Division setting forth the names of licensed transporters of manufactured homes approved by the Division; and

(c) Any list published by the Division setting forth the names of mobile home parks within 100 miles that have reported having vacant spaces.

4. If the landlord is unable to move a shed, due to its physical condition, that belongs to a tenant who has elected to have the landlord move his manufactured home, the landlord shall pay the tenant \$250 as reimbursement for the shed. Each tenant may receive only one payment of \$250 even if more than one shed is owned by the tenant.

5. If a tenant chooses not to move the manufactured home, the manufactured home cannot be moved without being structurally damaged or there is no manufactured home park within 100 miles that is willing to accept the manufactured home, the landlord:

(a) May remove and dispose of the manufactured home; and

(b) Shall pay to the tenant the fair market value of the manufactured home.

6. Notice sent pursuant to paragraph (a) of subsection 2 or an offer to sell a manufactured home lot to a tenant required pursuant to paragraph (b) of subsection 2 does not constitute notice of termination of the tenancy.

~~(4.)~~ 7. Upon the sale of a manufactured home lot and a manufactured home which is situated on that lot, the landlord shall indicate what portion of the purchase price is for the manufactured home lot and what portion is for the manufactured home.

~~(5.)~~ 8. For the purposes of this section, the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home must be determined by:

(a) A dealer licensed pursuant to chapter 489 of NRS who is agreed upon by the landlord and tenant; or

(b) If the landlord and tenant cannot agree pursuant to paragraph (a), a dealer licensed pursuant to chapter 489 of NRS who is selected for this purpose by the Division.

9. The landlord shall pay the costs associated with determining the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home pursuant to subsection 5.

10. The provisions of this section do not apply to a corporate cooperative park.

~~(Sec. 5.)~~ Sec. 13. NRS 118B.183 is hereby amended to read as follows:

118B.183 1. A landlord may convert an existing manufactured home park to any other use of the land if the change is approved by the appropriate local zoning board, planning commission or governing body. In addition to any other reasons, a landlord may apply for such approval if the landlord is forced to close the manufactured home park because of a valid order of a state or local governmental agency or court requiring the closure of the manufactured home park for health or safety reasons.

2. The landlord may undertake a conversion pursuant to this section only if:

(a) The landlord gives notice in writing to the Division and each tenant within 5 days after he files his application for the change in land use with the local zoning board, planning commission or governing body;

(b) The landlord pays the ~~amount described in subsection 2 or 4, in accordance with the choice of the tenant,~~ amounts required by subsections 4, 5 and 6; and

(c) After the landlord is granted final approval of the change by the appropriate local zoning board, planning commission or governing body, written notice is served on each tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his manufactured home from the lot.

3. At the time of providing notice of the conversion of the park pursuant to this section, a landlord shall provide to each tenant:

(a) The address and telephone number of the Division;

(b) Any list published by the Division setting forth the names of licensed transporters of manufactured homes approved by the Division; and

(c) Any list published by the Division setting forth the names of mobile home parks within 100 miles that have reported having vacant spaces.

4. If the tenant chooses to move the manufactured home, the landlord shall pay to the tenant:

(a) The cost of moving the tenant's manufactured home and its appurtenances to a new location *in this State or another state* within ~~50~~ 100 miles from the manufactured home park; or

(b) If the new location is more than ~~50~~ 100 miles from the manufactured home park, the cost of moving the manufactured home for the first ~~50~~ 100 miles, including fees for inspection, any deposits for connecting utilities and the cost of taking down, moving, setting up and leveling his manufactured home and its appurtenances in the new lot or park.

~~4.5.~~ 5. If the *landlord is unable to move a shed, due to its physical condition, that belongs to a tenant who has elected to have the landlord move his manufactured home, the landlord shall pay the tenant \$250 as reimbursement for the shed. Each tenant may receive only one payment of \$250 even if more than one shed is owned by the tenant.*

6. If the tenant chooses not to move the manufactured home, the manufactured home cannot be moved without being structurally damaged, or there is no manufactured home park within ~~50~~ 100 miles that is willing to accept the manufactured home, the landlord:

(a) May remove and dispose of the manufactured home; and

(b) Shall pay to the tenant the fair market value of the manufactured home. ~~Less the reasonable cost of removing and disposing of the manufactured home.~~

~~5.7.~~ 7. A landlord shall not increase the rent of any tenant:

(a) For 180 days before filing an application for a change in land use, permit or variance affecting the manufactured home park; or

(b) At any time after filing an application for a change in land use, permit or variance affecting the manufactured home park unless:

(1) The landlord withdraws the application or the appropriate local zoning board, planning commission or governing body denies the application; and

(2) The landlord continues to operate the manufactured home park after the withdrawal or denial.

~~6.8.~~ 8. For the purposes of this section, the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home must be determined by:

(a) A dealer licensed pursuant to chapter 489 of NRS who is agreed upon by the landlord and tenant; or

(b) If the landlord and tenant cannot agree pursuant to paragraph (a), a dealer licensed pursuant to chapter 489 of NRS who is selected for this purpose by the Division.

~~7.9.~~ 9. *The landlord shall pay the costs associated with determining the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home pursuant to subsection 6.*

~~8.10.~~ 10. The provisions of this section do not apply to a corporate cooperative park.

~~Sec. 6.1~~ Sec. 14. (Deleted by amendment.)

~~Sec. 6.5.1~~ Sec. 15. NRS 108.290 is hereby amended to read as follows:

108.290 1. If property that is the subject of a lien which is acquired as provided in NRS 108.270 to 108.360, inclusive, is the subject of a secured transaction in accordance with the laws of this State, the lien:

(a) In the case of a lien acquired pursuant to NRS 108.315, is a first lien.

(b) In the case of a lien on a motor vehicle for charges for towing, storing and any related administrative fees:

(1) For the first 30 days of the lien:

(I) If the amount of the lien does not exceed \$1,000, is a first lien.

(II) If the amount of the lien exceeds \$1,000, is a second lien.

(2) After the first 30 days of the lien:

(I) If the amount of the lien does not exceed \$2,500, is a first lien.

(II) If the amount of the lien exceeds \$2,500, is a second lien.

(c) In all other cases, if the amount of the lien:

(1) Does not exceed \$1,000, is a first lien.

(2) Exceeds \$1,000, is a second lien.

2. The lien of a landlord may not exceed ~~[\$2,000] ~~[\$5,000]~~ \$2,500~~ or the total amount due and unpaid for rentals and utilities, whichever is ~~(the lesser.) less.~~

Sec. 16. NRS 278.0209 is hereby amended to read as follows:

278.0209 1. In any ordinance relating to the zoning of land adopted or amended by a governing body, the definition of "single-family residence" must include factory-built housing that has been built in compliance with the standards for single-family residential dwellings of the Uniform Building Code most recently adopted by the International Conference of Building Officials.

2. An ordinance of the governing body may require factory-built housing to comply with standards for safety which exceed the standards prescribed in subsection 1 if a single-family residential dwelling on the same lot is also required to comply with those standards.

3. The governing body shall adopt the same standards for development for the factory-built housing and the lot on which it is placed as those to which a conventional single-family residential dwelling on the same lot would be subject, including, but not limited to:

(a) Requirements for the setback of buildings.

(b) Side and rear-yard requirements.

(c) Standards for enclosures, access and the parking of vehicles.

(d) Aesthetic requirements.

(e) Requirements for minimum square footage.

(f) Requirements for design, style and structure.

4. The governing body may prohibit the installation of factory-built housing in a specified area if:

(a) More than ~~5~~ 6 years have elapsed between the date of manufacture of factory-built housing and the date of the application for the issuance of a permit to install factory-built housing in the affected area; or

(b) The area contains a building, structure or other object having a special character or special historical interest or value.

5. As used in this section, "factory-built housing" has the meaning ascribed to it in NRS 461.080.

6. The provisions of this section do not abrogate a recorded restrictive covenant.

Sec. 17. NRS 278.02095 is hereby amended to read as follows:

278.02095 1. Except as otherwise provided in this section, in an ordinance relating to the zoning of land adopted or amended by a governing body, the definition of "single-family residence" must include a manufactured home.

2. Notwithstanding the provisions of subsection 1, a governing body shall adopt standards for the placement of a manufactured home that will not be affixed to a lot within a mobile home park which require that:

(a) The manufactured home:

(1) Be permanently affixed to a residential lot;

(2) Be manufactured within the ~~5~~ 6 years immediately preceding the date on which it is affixed to the residential lot;

(3) Have exterior siding and roofing which is similar in color, material and appearance to the exterior siding and roofing primarily used on other single-family residential dwellings in the immediate vicinity of the manufactured home, as established by the governing body;

(4) Consist of more than one section; and

(5) Consist of at least 1,200 square feet of living area unless the governing body, by administrative variance or other expedited procedure established by the governing body, approves a lesser amount of square footage based on the size or configuration of the lot or the square footage of single-family residential dwellings in the immediate vicinity of the manufactured home; and

(b) If the manufactured home has an elevated foundation, the foundation is masked architecturally in a manner determined by the governing body.

↪ The governing body of a local government in a county whose population is less than 40,000 may adopt standards that are less restrictive than the standards set forth in this subsection.

3. Standards adopted by a governing body pursuant to subsection 2 must be objective and documented clearly and must not be adopted to discourage or impede the construction or provision of affordable housing, including, without limitation, the use of manufactured homes for affordable housing.

4. Before a building department issues a permit to place a manufactured home on a lot pursuant to this section, other than a new manufactured home, the owner must surrender the certificate of ownership to the Manufactured Housing Division of the Department of Business and Industry. The Division shall provide proof of such a surrender to the owner who must submit that proof to the building department.

5. The provisions of this section do not abrogate a recorded restrictive covenant prohibiting manufactured homes nor do the provisions apply within the boundaries of a historic district established pursuant to NRS 384.005 or 384.100. An application to place a manufactured home on a residential lot pursuant to this section constitutes an attestation by the owner of the lot that the placement complies with all covenants, conditions and restrictions placed on the lot and that the lot is not located within a historic district.

6. As used in this section:

(a) "Manufactured home" has the meaning ascribed to it in NRS 489.113.

(b) "New manufactured home" has the meaning ascribed to it in NRS 489.125.

~~[Sec. 7.]~~ Sec. 18. (Deleted by amendment.)

~~[Sec. 8.]~~ Sec. 19. (Deleted by amendment.)

~~[Sec. 9.]~~ Sec. 20. (Deleted by amendment.)

~~[Sec. 10.]~~ Sec. 21. (Deleted by amendment.)

~~[Sec. 11.]~~ Sec. 22. The amendatory provisions of section ~~[6-6]~~ 15 of this act do not apply to a lien that attaches before October 1, 2007.

WARREN B. HARDY II

MICHAEL A. SCHNEIDER

RANDOLPH J. TOWNSEND

Senate Conference Committee

MARK A. MANENDO

JAMES OHRENSCHALL

JAMES SETTELMAYER

Assembly Conference Committee

Senator Hardy moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 304.

Remarks by Senator Hardy.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 396, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment Nos. 910, 978, 1002 and 1024 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 19, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes to the provisions governing common-interest communities. (BDR 10-1284)"

"AN ACT relating to common-interest communities; revising provisions governing restrictions on the use of systems for obtaining solar or wind energy; requiring a member of an executive board who stands to profit personally from a matter before the board to disclose and abstain from voting on the matter; revising the provisions governing the regulation of certain streets in common-interest communities; revising provisions concerning voting rights exercised by delegates or representatives; prohibiting an association in a common-interest community from imposing an assessment against the owners of certain tax-exempt property; providing that a foreclosure on a unit is subject to an equity or right of redemption; providing that official publications related to issues of official interest must provide equal space for opposing views and opinions; ~~revising the provisions governing the regulation of certain streets in certain~~

~~common interest communities;~~ *requiring applicants for a certificate for the management of a common-interest community to post certain bonds;* making various other changes to the provisions governing common-interest communities; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides that a covenant, restriction or condition in a deed, contract or other legal instrument cannot unreasonably restrict the use of a system for obtaining solar or wind energy. (NRS 111.239, 278.0208) Sections 1 and ~~41~~ 43 of this bill specify ~~how to determine if a restriction significantly decreases the efficiency or performance of such a system and places the burden on the property owner to show such a decrease;~~ *the circumstances under which a specification regarding the color of such a system is enforceable.*

Section 3 of this bill provides additional ethical requirements for members of an executive board by requiring a member who stands to gain any personal profit or compensation from a matter before the executive board to disclose the matter to the executive board and to abstain from voting on the matter. (NRS 116.31185, 116.31187)

Section 3.5 of this bill: (1) states that the provisions of chapter 116 of NRS do not modify the tariffs, rules and standards of a public utility; and (2) provides that the governing documents of an association must be consistent and not conflict with the tariffs, rules and standards of a public utility.

Existing law provides that certain common-interest communities are prohibited from regulating motor vehicles on thoroughfares accepted by the State or local governments for public use. (NRS 116.350) Section 4 of this bill prohibits a common-interest community from restricting the operation of motorcycles. Section 5 of this bill prohibits a common-interest community from using information from radar guns as the basis for a fine or penalty.

Under existing law, a common-interest community created before January 1, 1992, and a common-interest community, with a declaration so providing, that consists of at least 1,000 units, may have the voting rights of the units' owners in the association for that common-interest community be exercised by delegates or representatives. (NRS 116.1201, 116.31105) Sections 6.3, 13, 13.5, 15.5, 16.5 and 20.3 of this bill prohibit the use of delegates or representatives to exercise the voting rights of units' owners in the election or removal of a member of the executive board. Also, sections 6.7 and 20.7 of this bill provide that this form of voting may occur only during the period that the declarant is in control of the association and during the 2-year period after the declarant's control of the association is terminated. However, a master association which governs a time-share plan created pursuant to chapter 119A of NRS is excluded from these new provisions and is allowed to continue using delegates or representatives to exercise the voting rights of owners of time shares.

Existing law provides that the declaration of a common-interest community must contain certain information. (NRS 116.2105) Section 7.5 of this bill provides that the declaration must contain information concerning: (1) any restrictions on the ability of a unit's owner to rent or lease his unit; and (2) the specific obligations, duties and responsibilities of the association with respect to the maintenance, repair and replacement of specific common elements, specific limited common elements and other specific areas within the common-interest community.

Existing law sets forth the provisions governing the ability of a unit's owner to make alterations to his unit. (NRS 116.2111) Section 8.5 of this bill provides that an association may not unreasonably restrict, prohibit or withhold approval for a unit's owner to add shutters that change the appearance of a window, exterior or interior wall, roof or other surface which is not part of his unit, which is a common element or limited common element and which is adjoining or in close proximity to his unit.

Section 10 of this bill prohibits an association from imposing an assessment against the owner of any property in the common-interest community that is exempt from taxation pursuant to NRS 361.125. Section 48 of this bill provides that this prohibition applies to such owners who are not obligated to pay assessments as of January 1, 2007.

Section 11 of this bill ~~adds community managers of common interest communities as persons whose health, safety and welfare may be threatened by violations of a unit owners' association's governing documents, authorizing the imposition of fines. (NRS 116.21031) This section also~~ provides that *: (1) a unit's owner must receive notice of a violation and possible*

fine ~~[, that]~~; (2) an association may not impose a fine against a unit's owner or tenant of a unit's owner for a vehicular violation of the governing documents committed by a person delivering goods to, or performing services for, a unit's owner or tenant of a unit's owner; (3) a member of the executive board cannot participate in hearings on fines if he has not paid his assessments; and ~~[that]~~ (4) the association must provide written confirmation when a fine is paid. (NRS 116.31031)

Section 12 of this bill establishes priorities for the application of a unit owner's payments against assessments and fines, unless the unit's owner has stated in writing that no portion of the payment is to be applied against fines or costs related thereto. (NRS 116.310315)

Section 13 of this bill amends existing law to increase the maximum term of office for a member of an executive board from 2 years to 3 years. (NRS 116.31034) ~~[Section 13 authorizes candidates for the executive board to be elected without balloting when the number of candidates is less than or equal to the number of members to be elected. (NRS 116.31034)]~~ Section 13 also adds items which candidates must disclose to units' owners in advance of the election, whether or not an election is to be held with balloting. (NRS 116.31034)

Section 14 of this bill requires that a declarant deliver to an association an ancillary audit of the association's money and audited financial statements from the date of the last audit until the date the declarant's control ends. (NRS 116.31038) Section 14 also requires the declarant to pay for the costs of the ancillary audit. (NRS 116.31038)

Sections 14, 23, 33-35 and 37-42 of this bill eliminate the issuance of permits to reserve study specialists and instead provide for their registration. (NRS 116.31038, 116.750, 116A.120, 116A.260 and 116A.420-116A.900)

Section 16 of this bill lengthens the period between which meetings of the executive board must be held from every 90 days to every quarter, but not less than every 100 days. (NRS 116.31083) ~~[Section 16 also provides that if the sole purpose of a meeting is for the executive board to meet in executive session under certain circumstances, notice need not be provided. (NRS 116.31083)]~~

Section 21 of this bill revises ~~[existing]~~ provisions relating to financial statements ~~[by allowing the Commission on Common Interest Communities to waive the qualification requirements of auditors]~~ for certain associations. (NRS 116.31144)

Section 22 of this bill permits the executive board to impose certain assessments for the purpose of funding a reserve without a vote of the units' owners under certain circumstances. (NRS 116.3115)

Section 23 of this bill establishes the criteria for evaluating the adequacy of the reserves of an association. (NRS 116.31152)

Existing law requires certain signatures before money in the reserve account of an association may be withdrawn. (NRS 116.31153) Section 23.3 of this bill also requires certain signatures before money in the operating account of an association may be withdrawn.

Section 23.7 of this bill changes existing law to provide that the sale of a unit as a result of a foreclosure of a lien is subject to an equity or right of redemption. (NRS 116.31166)

Section 28 of this bill excludes the books, records and other papers of the association which are in the process of being developed and have not yet been placed on an agenda for final approval by the executive board from the material which the board must make available upon the written request of a unit's owner. (NRS 116.31175) Section 28 also provides that if an official publication contains the views or opinions of the association concerning an issue of official interest, the official publication must, upon request, provide equal space and equivalent exposure to opposing views and opinions. In addition, section 28 provides that if an official publication contains any mention of a candidate or ballot question, the official publication must provide equal space in the same issue to the candidate or a representative of an organization which advocates the passage or defeat of the ballot question.

Section 29 of this bill revises existing law by including financing as a prohibited activity for members of the executive board and officers. (NRS 116.31187)

Existing law provides that except as otherwise provided in the declaration, an association may not require a unit's owner to secure or obtain any approval from the association in order to rent or lease his unit. (NRS 116.335) Section 29.5 of this bill provides that unless at the time a unit's owner purchases his unit, the declaration prohibited the unit's owner from renting or

leasing his unit or required the unit's owner to secure or obtain any approval from the association in order to rent or lease his unit, the association may not: (1) prohibit the unit's owner from renting or leasing his unit; or (2) require the unit's owner to secure or obtain any approval from the association in order to rent or lease his unit.

Section 30 of this bill provides additional rights to units' owners by mandating notice before an association may interrupt utility service to a unit's owner. (NRS 116.345)

Existing law provides that certain common-interest communities are prohibited from regulating motor vehicles on thoroughfares accepted by the State or local governments for public use. (NRS 116.350) Section 31 of this bill ~~[permits an association to restrict parking on such thoroughfares if the parking prohibition was a condition for approval of the subdivision's final map or included in the terms of a zoning ordinance, permit or approval. (NRS 116.350)]~~ Section 31 also adds inoperable vehicles to the types of vehicles for which an association may restrict parking or storage in a common-interest community. (NRS 116.350) Finally, section 31 prohibits a common-interest community from restricting the parking of certain utility service vehicles, law enforcement vehicles and emergency services vehicles.

Existing law provides that an association may charge certain fees for furnishing certain documents and certificates in connection with the resale of a unit. (NRS 116.4109) Section 31.5 of this bill provides that if the association enters into a contract or agreement with any person or entity to furnish such documents or certificates, the contract or agreement must not allow a unit's owner to be charged any fee that exceeds the amount of the fee that the association itself may charge. Additionally, section 31.5 provides that an association may not charge a unit's owner, and may not require a unit's owner to pay, any fee related to the resale of a unit that is not specifically authorized, including, without limitation, any transaction fee, transfer fee or other similar fee.

Section 32 of this bill deems deposits made in connection with the purchase or reservation of units from a person required to deliver a public offering statement placed in out-of-state escrow companies as being deposited in this State if the escrow holder has a legal right to conduct business in the State, has a resident agent in this State and has consented to the jurisdiction of the courts of this State. (NRS 116.411)

Section 36 of this bill provides for the issuance of temporary certificates for community managers for a period of 1 year under certain circumstances. In addition, section 36 requires the posting of bonds by community managers in an amount established by regulation, based on a sliding scale. (NRS 116A.410)

~~[Section 44 of this bill excludes certain unit owners' associations from the definition of "business" for the purposes of requiring business licenses. (NRS 260.765)]~~

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

Section 1. NRS 111.239 is hereby amended to read as follows:

111.239 1. ~~[Any]~~ Except as otherwise provided in subsection 2, any covenant, restriction or condition contained in a deed, contract or other legal instrument which affects the transfer, sale or any other interest in real property that prohibits or unreasonably restricts the owner of the property from using a system for obtaining solar or wind energy on his property is void and unenforceable.

2. ~~[The owner of the property has the burden of showing that a restriction or requirement on the use of such a system significantly decreases the efficiency or performance of the system.]~~ A covenant, restriction or condition contained in the governing documents of a common-interest community or a policy established by a common-interest community specifying the color of such a system is enforceable so long as such a system is manufactured in such color and the specification was:

(a) In existence on July 1, 2007; or

(b) Contained in the governing documents in effect on the close of escrow of the first sale of a unit in the common-interest community.

3. For the purposes of this section ~~[, "unreasonably"]~~ :

(a) ["Significantly decreases the efficiency or performance of the system" means a decrease of 20 percent or more in the efficiency or performance of the system.] "Common-interest community" has the meaning ascribed to it in NRS 116.021.

(b) "Governing documents" has the meaning ascribed to it in NRS 116.049.

(c) "Unit" has the meaning ascribed to it in NRS 116.093.

(d) "Unreasonably restricts the use of a system for obtaining solar or wind energy" means placing a restriction or requirement on the use of such a system which significantly decreases the efficiency or performance of the system and does not allow for the use of an alternative system at a comparable cost and with comparable efficiency and performance.

Sec. 2. Chapter 116 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 5, inclusive, of this act.

Sec. 3. 1. *A member of an executive board who stands to gain any personal profit or compensation of any kind from a matter before the executive board shall:*

(a) Disclose the matter to the executive board; and

(b) Abstain from voting on any such matter.

2. *For the purposes of this section, an employee of a declarant or an affiliate of a declarant who is a member of the executive board shall not, solely by reason of such employment or affiliation, be deemed to gain any personal profit or compensation.*

Sec. 3.5. 1. *The provisions of this chapter do not invalidate or modify the tariffs, rules and standards of a public utility.*

2. *The governing documents of an association must be consistent and not conflict with the tariffs, rules and standards of a public utility. Any provision of the governing documents which conflicts with the tariffs, rules and standards of a public utility is void and may not be enforced against a purchaser.*

3. *As used in this section, "public utility" has the meaning ascribed to it in NRS 704.020.*

Sec. 4. 1. *The executive board of a common-interest community shall not, and the governing documents of a common-interest community must not, restrict, prohibit or otherwise impede the operation of a motorcycle if the motorcycle is operated on any road, street, alley or other surface intended for use by a motor vehicle.*

2. *The provisions of this section do not preclude the governing documents of a common-interest community from reasonably restricting the parking or storage of a motorcycle to the extent authorized by law.*

3. *As used in this section, "motorcycle" means every motor vehicle designed to travel on not more than three wheels in contact with the ground which is required to be registered pursuant to chapter 482 of NRS.*

Sec. 5. 1. *A member of the executive board of a common-interest community, a community manager for the common-interest community and any other representative of the association shall not use a radar gun or other device designed to gauge the speed of a vehicle for the purpose of imposing any fine or other penalty upon or taking any other action against a unit's owner or other person.*

2. *The executive board of a common-interest community shall not impose any fine or other penalty upon or take any other action against a unit's owner or other person based on the results of any test conducted using a radar gun or other device designed to gauge the speed of a vehicle.*

3. *The governing documents of a common-interest community must not authorize the executive board or any other person to impose any fine or other penalty upon or take any other action against a unit's owner or other person based on the results of any test conducted using a radar gun or other device designed to gauge the speed of a vehicle.*

Sec. 6. NRS 116.021 is hereby amended to read as follows:

116.021 1. *"Common-interest community" means real estate with respect to which a person, by virtue of his ownership of a unit, is obligated to pay for real estate other than that unit.*
~~["Ownership"]~~

2. *As used in this section, "ownership of a unit" does not include holding a leasehold interest of less than 20 years in a unit, including options to renew.*

3. *For the purposes of determining whether real estate is a "common-interest community" pursuant to this section, the fact that the real estate is subject to covenants, conditions or restrictions is not relevant or determinative.*

Sec. 6.3. NRS 116.1201 is hereby amended to read as follows:

116.1201 1. Except as otherwise provided in this section and NRS 116.1203, this chapter applies to all common-interest communities created within this State.

2. This chapter does not apply to:

(a) A limited-purpose association, except that a limited-purpose association:

- (1) Shall pay the fees required pursuant to NRS 116.31155;
- (2) Shall register with the Ombudsman pursuant to NRS 116.31158;
- (3) Shall comply with the provisions of:

(I) NRS 116.31038, 116.31083 and 116.31152; and

(II) NRS 116.31075, if the limited-purpose association is created for a rural agricultural residential common-interest community;

(4) Shall comply with the provisions of NRS 116.4101 to 116.412, inclusive, as required by the regulations adopted by the Commission pursuant to paragraph (b) of subsection 5; and

(5) Shall not enforce any restrictions concerning the use of units by the units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

(b) A planned community in which all units are restricted exclusively to nonresidential use unless the declaration provides that this chapter does apply to that planned community. This chapter applies to a planned community containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted only if the declaration so provides or if the real estate comprising the units that may be used for residential purposes would be a planned community in the absence of the units that may not be used for residential purposes.

(c) Common-interest communities or units located outside of this State, but the provisions of NRS 116.4102 to 116.4108, inclusive, apply to all contracts for the disposition thereof signed in this State by any party unless exempt under subsection 2 of NRS 116.4101.

(d) A common-interest community that was created before January 1, 1992, is located in a county whose population is less than 50,000, and has less than 50 percent of the units within the community put to residential use, unless a majority of the units' owners otherwise elect in writing.

(e) Except as otherwise provided in this chapter, time shares governed by the provisions of chapter 119A of NRS.

3. The provisions of this chapter do not:

(a) Prohibit a common-interest community created before January 1, 1992, from providing for separate classes of voting for the units' owners;

(b) Require a common-interest community created before January 1, 1992, to comply with the provisions of NRS 116.2101 to 116.2122, inclusive;

(c) Invalidate any assessments that were imposed on or before October 1, 1999, by a common-interest community created before January 1, 1992; ~~for~~

(d) Prohibit a common-interest community created before January 1, 1992, or a common-interest community described in NRS 116.31105 from providing for a representative form of government ~~for~~, except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives; or

(e) Prohibit a master association which governs a time-share plan created pursuant to chapter 119A of NRS from providing for a representative form of government for the time-share plan.

4. The provisions of chapters 117 and 278A of NRS do not apply to common-interest communities.

5. The Commission shall establish, by regulation:

(a) The criteria for determining whether an association, a limited-purpose association or a common-interest community satisfies the requirements for an exemption or limited exemption from any provision of this chapter; and

(b) The extent to which a limited-purpose association must comply with the provisions of NRS 116.4101 to 116.412, inclusive.

6. As used in this section, "limited-purpose association" means an association that:

(a) Is created for the limited purpose of maintaining:

- (1) The landscape of the common elements of a common-interest community;
- (2) Facilities for flood control; or
- (3) A rural agricultural residential common-interest community; and

(b) Is not authorized by its governing documents to enforce any restrictions concerning the use of units by units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

Sec. 6.7. NRS 116.1201 is hereby amended to read as follows:

116.1201 1. Except as otherwise provided in this section and NRS 116.1203, this chapter applies to all common-interest communities created within this State.

2. This chapter does not apply to:

(a) A limited-purpose association, except that a limited-purpose association:

(1) Shall pay the fees required pursuant to NRS 116.31155;

(2) Shall register with the Ombudsman pursuant to NRS 116.31158;

(3) Shall comply with the provisions of:

(I) NRS 116.31038, 116.31083 and 116.31152; and

(II) NRS 116.31075, if the limited-purpose association is created for a rural agricultural residential common-interest community;

(4) Shall comply with the provisions of NRS 116.4101 to 116.412, inclusive, as required by the regulations adopted by the Commission pursuant to paragraph (b) of subsection 5; and

(5) Shall not enforce any restrictions concerning the use of units by the units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

(b) A planned community in which all units are restricted exclusively to nonresidential use unless the declaration provides that this chapter does apply to that planned community. This chapter applies to a planned community containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted only if the declaration so provides or if the real estate comprising the units that may be used for residential purposes would be a planned community in the absence of the units that may not be used for residential purposes.

(c) Common-interest communities or units located outside of this State, but the provisions of NRS 116.4102 to 116.4108, inclusive, apply to all contracts for the disposition thereof signed in this State by any party unless exempt under subsection 2 of NRS 116.4101.

(d) A common-interest community that was created before January 1, 1992, is located in a county whose population is less than 50,000, and has less than 50 percent of the units within the community put to residential use, unless a majority of the units' owners otherwise elect in writing.

(e) Except as otherwise provided in this chapter, time shares governed by the provisions of chapter 119A of NRS.

3. The provisions of this chapter do not:

(a) Prohibit a common-interest community created before January 1, 1992, from providing for separate classes of voting for the units' owners;

(b) Require a common-interest community created before January 1, 1992, to comply with the provisions of NRS 116.2101 to 116.2122, inclusive;

(c) Invalidate any assessments that were imposed on or before October 1, 1999, by a common-interest community created before January 1, 1992;

(d) ~~Prohibit~~ *Except as otherwise provided in subsection 8 of NRS 116.31105, prohibit* a common-interest community created before January 1, 1992, or a common-interest community described in NRS 116.31105 from providing for a representative form of government, except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives; or

(e) Prohibit a master association which governs a time-share plan created pursuant to chapter 119A of NRS from providing for a representative form of government for the time-share plan.

4. The provisions of chapters 117 and 278A of NRS do not apply to common-interest communities.

5. The Commission shall establish, by regulation:

(a) The criteria for determining whether an association, a limited-purpose association or a common-interest community satisfies the requirements for an exemption or limited exemption from any provision of this chapter; and

(b) The extent to which a limited-purpose association must comply with the provisions of NRS 116.4101 to 116.412, inclusive.

6. As used in this section, "limited-purpose association" means an association that:

(a) Is created for the limited purpose of maintaining:

(1) The landscape of the common elements of a common-interest community;

(2) Facilities for flood control; or

(3) A rural agricultural residential common-interest community; and

(b) Is not authorized by its governing documents to enforce any restrictions concerning the use of units by units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

Sec. 7. (Deleted by amendment.)

Sec. 7.5. NRS 116.2105 is hereby amended to read as follows:

116.2105 1. The declaration must contain:

(a) The names of the common-interest community and the association and a statement that the common-interest community is either a condominium, cooperative or planned community;

(b) The name of every county in which any part of the common-interest community is situated;

(c) A sufficient description of the real estate included in the common-interest community;

(d) A statement of the maximum number of units that the declarant reserves the right to create;

(e) In a condominium or planned community, a description of the boundaries of each unit created by the declaration, including the unit's identifying number or, in a cooperative, a description, which may be by plats or plans, of each unit created by the declaration, including the unit's identifying number, its size or number of rooms, and its location within a building if it is within a building containing more than one unit;

(f) A description of any limited common elements, other than those specified in subsections 2 and 4 of NRS 116.2102, as provided in paragraph (g) of subsection 2 of NRS 116.2109 and, in a planned community, any real estate that is or must become common elements;

(g) A description of any real estate, except real estate subject to developmental rights, that may be allocated subsequently as limited common elements, other than limited common elements specified in subsections 2 and 4 of NRS 116.2102, together with a statement that they may be so allocated;

(h) A description of any developmental rights and other special declarant's rights reserved by the declarant, together with a legally sufficient description of the real estate to which each of those rights applies, and a time within which each of those rights must be exercised;

(i) If any developmental right may be exercised with respect to different parcels of real estate at different times, a statement to that effect together with:

(1) Either a statement fixing the boundaries of those portions and regulating the order in which those portions may be subjected to the exercise of each developmental right or a statement that no assurances are made in those regards; and

(2) A statement whether, if any developmental right is exercised in any portion of the real estate subject to that developmental right, that developmental right must be exercised in all or in any other portion of the remainder of that real estate;

(j) Any other conditions or limitations under which the rights described in paragraph (h) may be exercised or will lapse;

(k) An allocation to each unit of the allocated interests in the manner described in NRS 116.2107;

(l) Any restrictions:

(1) On use, occupancy and alienation of the units ~~that~~, including, without limitation, a clear and conspicuous statement written in plain English, in bold type and in a font that is easy to read indicating whether a unit's owner is prohibited from renting or leasing his unit and whether a unit's owner is required to secure or obtain any approval from the association in order to rent or lease his unit; and

(2) On the amount for which a unit may be sold or on the amount that may be received by a unit's owner on sale, condemnation or casualty to the unit or to the common-interest community, or on termination of the common-interest community;

(m) A statement written in plain English:

(1) Describing the provisions of NRS 116.3107 pertaining to the responsibility of the association for maintenance, repair and replacement of the common elements and the responsibility of each unit's owner for maintenance, repair and replacement of his unit; and

(2) Identifying and describing the specific obligations, duties and responsibilities of the association with respect to the maintenance, repair and replacement of specific common elements, specific limited common elements and other specific areas within the common-interest community and identifying and describing any limitations or restrictions on such obligations, duties and responsibilities of the association;

(n) The file number and book or other information to show where easements and licenses are recorded appurtenant to or included in the common-interest community or to which any portion of the common-interest community is or may become subject by virtue of a reservation in the declaration; and

~~(o)~~ (o) All matters required by NRS 116.2106 to 116.2109, inclusive, 116.2115 and 116.2116 and 116.31032.

2. The declaration may contain any other matters the declarant considers appropriate.

Sec. 8. (Deleted by amendment.)

Sec. 8.5. NRS 116.2111 is hereby amended to read as follows:

116.2111 1. Except as otherwise provided in this section and subject to the provisions of the declaration and other provisions of law, a unit's owner:

(a) May make any improvements or alterations to his unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common-interest community;

(b) May not change the appearance of the common elements, or the exterior appearance of a unit or any other portion of the common-interest community, without permission of the association; and

(c) After acquiring an adjoining unit or an adjoining part of an adjoining unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common-interest community. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

2. An association may not:

(a) Unreasonably restrict, prohibit or otherwise impede the lawful rights of a unit's owner to have reasonable access to his unit.

(b) Unreasonably restrict, prohibit or withhold approval for a unit's owner to add to a unit:

(1) Improvements such as ramps, railings or elevators that are necessary to improve access to the unit for any occupant of the unit who has a disability;

(2) Additional locks to improve the security of the unit;

(3) Shutters to improve the security of the unit or to reduce the costs of energy for the unit;

or

(4) A system that uses wind energy to reduce the costs of energy for the unit if the boundaries of the unit encompass 2 acres or more within the common-interest community.

(c) With regard to approving or disapproving any improvement or alteration made to a unit, act in violation of any state or federal law.

3. Any improvement or alteration made pursuant to subsection 2 that is visible from any other portion of the common-interest community must be installed, constructed or added in accordance with the procedures set forth in the governing documents of the association and must be selected or designed to the maximum extent practicable to be compatible with the style of the common-interest community.

4. An association may not unreasonably restrict, prohibit or withhold approval for a unit's owner to add shutters, including, without limitation, rolling shutters, and change the appearance of a window, exterior or interior wall, roof or other surface which is not part of his unit, which is a common element or limited common element and which is adjoining or in close proximity to

his unit. If a unit's owner adds shutters pursuant to this subsection, the unit's owner is responsible for the maintenance of the shutters. For the purposes of this subsection, a covenant, restriction or condition which does not unreasonably restrict the addition of shutters and which is contained in the governing documents of a common-interest community or a policy established by a common-interest community is enforceable so long as the covenant, condition or restriction was:

(a) In existence on July 1, 2007; or

(b) Contained in the governing documents in effect on the close of escrow of the first sale of a unit in the common-interest community.

5. A unit's owner may not add to the unit a system that uses wind energy as described in subparagraph 4 of paragraph (b) of subsection 2 unless he first obtains the written consent of each owner of property within 300 feet of any boundary of the unit.

Sec. 9. (Deleted by amendment.)

Sec. 10. NRS 116.3102 is hereby amended to read as follows:

116.3102 1. Except as otherwise provided in ~~subsection 2,~~ *this section*, and subject to the provisions of the declaration, the association may do any or all of the following:

- (a) Adopt and amend bylaws, rules and regulations.
- (b) Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for common expenses from the units' owners.
- (c) Hire and discharge managing agents and other employees, agents and independent contractors.
- (d) Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more units' owners on matters affecting the common-interest community.
- (e) Make contracts and incur liabilities.
- (f) Regulate the use, maintenance, repair, replacement and modification of common elements.
- (g) Cause additional improvements to be made as a part of the common elements.
- (h) Acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property, but:
 - (1) Common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to NRS 116.3112; and
 - (2) Part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to NRS 116.3112.
- (i) Grant easements, leases, licenses and concessions through or over the common elements.
- (j) Impose and receive any payments, fees or charges for the use, rental or operation of the common elements, other than limited common elements described in subsections 2 and 4 of NRS 116.2102, and for services provided to the units' owners.
- (k) Impose charges for late payment of assessments.
- (l) Impose construction penalties when authorized pursuant to NRS 116.310305.
- (m) Impose reasonable fines for violations of the governing documents of the association only if the association complies with the requirements set forth in NRS 116.31031.
- (n) Impose reasonable charges for the preparation and recordation of any amendments to the declaration or any statements of unpaid assessments, and impose reasonable fees, not to exceed the amounts authorized by NRS 116.4109, for preparing and furnishing the documents and certificate required by that section.
- (o) Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance.
- (p) Assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.
- (q) Exercise any other powers conferred by the declaration or bylaws.
- (r) Exercise all other powers that may be exercised in this State by legal entities of the same type as the association.
- (s) Direct the removal of vehicles improperly parked on property owned or leased by the association, as authorized pursuant to NRS 487.038, or improperly parked on any road, street, alley or other thoroughfare within the common-interest community in violation of the governing

documents. In addition to complying with the requirements of NRS 487.038 and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, unless the vehicle:

- (1) Is blocking a fire hydrant, fire lane or parking space designated for the handicapped; or
 - (2) Poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.
- (t) Exercise any other powers necessary and proper for the governance and operation of the association.

2. The declaration may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

3. *Notwithstanding any provision of this chapter or the governing documents to the contrary, an association may not impose any assessment pursuant to this chapter or the governing documents on the owner of any property in the common-interest community that is exempt from taxation pursuant to NRS 361.125. For the purposes of this subsection, "assessment" does not include any charge for any utility services, including, without limitation, telecommunications, broadband communications, cable television, electricity, natural gas, sewer services, garbage collection, water or for any other service which is delivered to and used or consumed directly by the property in the common-interest community that is exempt from taxation pursuant to NRS 361.125.*

Sec. 11. NRS 116.31031 is hereby amended to read as follows:

116.31031 1. Except as otherwise provided in this section, if a unit's owner or a tenant or guest of a unit's owner violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

(a) Prohibit, for a reasonable time, the unit's owner or the tenant or guest of the unit's owner from:

- (1) Voting on matters related to the common-interest community.
- (2) Using the common elements. The provisions of this subparagraph do not prohibit the unit's owner or the tenant or guest of the unit's owner from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.

(b) Impose a fine against the unit's owner or the tenant or guest of the unit's owner for each violation, except that ~~for~~:

(1) A fine may not be imposed for a violation that is the subject of a construction penalty pursuant to NRS 116.310305 ~~for~~ and

(2) A fine may not be imposed against a unit's owner or a tenant or guest of a unit's owner for a violation of the governing documents which involves a vehicle and which is committed by a person who is delivering goods to, or performing services for, the unit's owner or tenant or guest of the unit's owner.

~~2.~~ If the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners ~~for~~ or residents ~~for community manager~~ of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents. If the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners ~~for~~ or residents ~~for community manager~~ of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents, but the amount of the fine must not exceed \$100 for each violation or a total amount of \$1,000, whichever is less. The limitations on the amount of the fine do not apply to any interest, charges or costs that may be collected by the association pursuant to this section if the fine becomes past due.

2. The executive board may not impose a fine pursuant to subsection 1 unless:

(a) Not less than 30 days before the violation, the *unit's owner and, if different, the* person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the violation; and

(b) Within a reasonable time after the discovery of the violation, the *unit's owner and, if different, the person against whom the fine will be imposed* has been provided with:

(1) Written notice specifying the details of the violation, the amount of the fine, and the date, time and location for a hearing on the violation; and

(2) A reasonable opportunity to contest the violation at the hearing.

➔ *For the purposes of this subsection, a unit's owner shall not be deemed to have received written notice unless written notice is delivered to the address of the unit and, if different, to a mailing address specified by the unit's owner.*

3. The executive board must schedule the date, time and location for the hearing on the violation so that the *unit's owner and, if different, the person against whom the fine will be imposed* is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing.

4. The executive board must hold a hearing before it may impose the fine, unless *the fine is paid before the hearing or unless the unit's owner and, if different, the person against whom the fine will be imposed*:

(a) ~~{Pays the fine;~~

~~{b)}~~ Executes a written waiver of the right to the hearing; or

~~{c)}~~ *(b)* Fails to appear at the hearing after being provided with proper notice of the hearing.

5. If a fine is imposed pursuant to subsection 1 and the violation is not cured within 14 days, or within any longer period that may be established by the executive board, the violation shall be deemed a continuing violation. Thereafter, the executive board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

6. If the governing documents so provide, the executive board may appoint a committee, with not less than three members, to conduct hearings on violations and to impose fines pursuant to this section. While acting on behalf of the executive board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.

7. *A member of the executive board shall not participate in any hearing or cast any vote relating to a fine imposed pursuant to subsection 1 if the member has not paid all assessments which are due to the association by the member. If a member of the executive board:*

(a) Participates in a hearing in violation of this subsection, any action taken at the hearing is void.

(b) Casts a vote in violation of this subsection, the vote is void.

8. The provisions of this section establish the minimum procedural requirements that the executive board must follow before it may impose a fine. The provisions of this section do not preempt any provisions of the governing documents that provide greater procedural protections.

~~{8-}~~ 9. Any past due fine:

(a) Bears interest at the rate established by the association, not to exceed the legal rate per annum.

(b) May include any costs of collecting the past due fine at a rate established by the association. If the past due fine is for a violation that does not threaten the health, safety or welfare of the *units' owners* ~~{,}~~ *or residents* ~~{or community manager}~~ of the common-interest community, the rate established by the association for the costs of collecting the past due fine:

(1) May not exceed \$20, if the outstanding balance is less than \$200.

(2) May not exceed \$50, if the outstanding balance is \$200 or more, but is less than \$500.

(3) May not exceed \$100, if the outstanding balance is \$500 or more, but is less than \$1,000.

(4) May not exceed \$250, if the outstanding balance is \$1,000 or more, but is less than \$5,000.

(5) May not exceed \$500, if the outstanding balance is \$5,000 or more.

(c) May include any costs incurred by the association during a civil action to enforce the payment of the past due fine.

~~{9-}~~ 10. *Not later than 30 days after receiving payment in full of a fine, including any lawful interest and costs of collection, an association shall provide written confirmation to the person*

upon whom the fine was imposed that the fine and all related charges have been paid in full and that the fine is discharged.

11. As used in this section:

(a) "Costs of collecting" includes, without limitation, any collection fee, filing fee, recording fee, referral fee, fee for postage or delivery, and any other fee or cost that an association may reasonably charge to the unit's owner for the collection of a past due fine. The term does not include any costs incurred by an association during a civil action to enforce the payment of a past due fine.

(b) "Outstanding balance" means the amount of a past due fine that remains unpaid before any interest, charges for late payment or costs of collecting the past due fine are added.

Sec. 12. NRS 116.310315 is hereby amended to read as follows:

116.310315 If an association has imposed a fine against a unit's owner or a tenant or guest of a unit's owner pursuant to NRS 116.31031 for violations of the governing documents of the association, the association ~~shall~~:

1. ~~Shall, in~~ In the books and records of the association, account for the fine separately from any assessment, fee or other charge; and

2. ~~Shall not apply, in whole or in part, any payment made by the unit's owner for any assessment, fee or other charge toward the payment of the outstanding balance of the fine or any costs of collecting the fine, unless the unit's owner provides written authorization which directs the association to apply the payment made by the unit's owner in such a manner.~~ Apply any payment received from a unit's owner without written instructions as to the application of the payment:

(a) First to current or past due assessments; and

(b) Then the remainder of any payment to past due fines, including the costs of collecting any such fine, unless the unit's owner has stated in writing that no amount of the payment is to be applied toward the fines or toward the costs of collecting the fines.

Sec. 13. NRS 116.31034 is hereby amended to read as follows:

116.31034 1. Except as otherwise provided in subsection 5 of NRS 116.212, not later than the termination of any period of declarant's control, the units' owners shall elect an executive board of at least three members, at least a majority of whom must be units' owners. Unless the governing documents provide otherwise, the remaining members of the executive board do not have to be units' owners. The executive board shall elect the officers of the association. The members of the executive board and the officers of the association shall take office upon election.

2. The term of office of a member of the executive board may not exceed ~~2~~ 3 years, except for members who are appointed by the declarant. Unless the governing documents provide otherwise, there is no limitation on the number of terms that a person may serve as a member of the executive board.

3. The governing documents of the association must provide for terms of office that are staggered in such a manner that, to the extent possible, an equal number of members of the executive board are elected at each election. The provisions of this subsection do not apply to:

(a) Members of the executive board who are appointed by the declarant; and

(b) Members of the executive board who serve a term of 1 year or less.

4. Not less than 30 days before the preparation of a ballot for the election of members of the executive board, the secretary or other officer specified in the bylaws of the association shall cause notice to be given to each unit's owner of his eligibility to serve as a member of the executive board. Each unit's owner who is qualified to serve as a member of the executive board may have his name placed on the ballot along with the names of the nominees selected by the members of the executive board or a nominating committee established by the association.

~~Before the secretary or other officer specified in the bylaws of the association causes notice to be given to each unit's owner of his eligibility to serve as a member of the executive board pursuant to this subsection, the executive board may determine that if, at the closing of the prescribed period for nominations for membership on the executive board, the number of candidates nominated for membership on the executive board is equal to or less than the number of members to be elected to the executive board at the election, then:~~

~~(a) The association will not prepare or mail any ballots to units' owners pursuant to this section;~~

~~(b) The candidates so nominated shall be deemed to be duly elected to the executive board not later than 30 days after the date of closing of the prescribed period for nominations; and~~

~~(c) Units' owners will receive notification that the candidates so nominated have been elected to the executive board.~~

5. Each person whose name is placed on the ballot ~~who is nominated~~ as a candidate for a member of the executive board ~~pursuant to subsection 4~~ must:

(a) Make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the executive board; and

(b) Disclose whether the candidate is a member in good standing. For the purposes of this paragraph, a candidate shall not be deemed to be in "good standing" if the candidate ~~has~~:

(1) Has any unpaid and past due assessments or construction penalties that are required to be paid to the association ~~+~~;

(2) Has any unpaid fine imposed by the executive board that is 30 days or more past due;
or

(3) After being provided notice and the opportunity for a hearing in accordance with the provisions of NRS 116.31031, has been found to have committed a violation of the governing documents that has not been cured.

↪ The candidate must make all disclosures required pursuant to this subsection in writing to the association with his candidacy information. The association shall distribute the disclosures to each member of the association with the ballot ~~for, in the event ballots are not prepared and mailed pursuant to subsection 4~~ in the manner established ~~for distribution of ballots~~ in the bylaws of the association.

6. Unless a person is appointed by the declarant:

(a) A person may not be a member of the executive board or an officer of the association if the person, his spouse or his parent or child, by blood, marriage or adoption, performs the duties of a community manager for that association.

(b) A person may not be a member of the executive board of a master association or an officer of that master association if the person, his spouse or his parent or child, by blood, marriage or adoption, performs the duties of a community manager for:

(1) That master association; or

(2) Any association that is subject to the governing documents of that master association.

7. An officer, employee, agent or director of a corporate owner of a unit, a trustee or designated beneficiary of a trust that owns a unit, a partner of a partnership that owns a unit, a member or manager of a limited-liability company that owns a unit, and a fiduciary of an estate that owns a unit may be an officer of the association or a member of the executive board. In all events where the person serving or offering to serve as an officer of the association or a member of the executive board is not the record owner, he shall file proof in the records of the association that:

(a) He is associated with the corporate owner, trust, partnership, limited-liability company or estate as required by this subsection; and

(b) Identifies the unit or units owned by the corporate owner, trust, partnership, limited-liability company or estate.

8. ~~The~~ Except as otherwise provided in ~~subsection 4~~ NRS 116.31105, the election of any member of the executive board must be conducted by secret written ballot ~~unless the declaration of the association provides that voting rights may be exercised by delegates or representatives as set forth in NRS 116.31105. If the election of any member of the executive board is conducted by secret written ballot~~ in the following manner:

(a) The secretary or other officer specified in the bylaws of the association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) A quorum is not required for the election of any member of the executive board.

(d) Only the secret written ballots that are returned to the association may be counted to determine the outcome of the election.

(e) The secret written ballots must be opened and counted at a meeting of the association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(f) The incumbent members of the executive board and each person whose name is placed on the ballot as a candidate for a member of the executive board may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association before those secret written ballots have been opened and counted at a meeting of the association.

9. Each member of the executive board shall, within 90 days after his appointment or election, certify in writing to the association, on a form prescribed by the Administrator, that he has read and understands the governing documents of the association and the provisions of this chapter to the best of his ability. The Administrator may require the association to submit a copy of the certification of each member of the executive board of that association at the time the association registers with the Ombudsman pursuant to NRS 116.31158.

Sec. 13.5. NRS 116.31036 is hereby amended to read as follows:

116.31036 1. Notwithstanding any provision of the declaration or bylaws to the contrary, any member of the executive board, other than a member appointed by the declarant, may be removed from the executive board, with or without cause, if at a removal election held pursuant to this section the number of votes cast in favor of removal constitutes:

(a) At least 35 percent of the total number of voting members of the association; and

(b) At least a majority of all votes cast in that removal election.

2. ~~[(The) Except as otherwise provided in NRS 116.31105, the removal of any member of the executive board must be conducted by secret written ballot [unless the declaration of the association provides that voting rights may be exercised by delegates or representatives as set forth in NRS 116.31105. If the removal of a member of the executive board is conducted by secret written ballot,] in the following manner:~~

(a) The secretary or other officer specified in the bylaws of the association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) Only the secret written ballots that are returned to the association may be counted to determine the outcome.

(d) The secret written ballots must be opened and counted at a meeting of the association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(e) The incumbent members of the executive board, including, without limitation, the member who is subject to the removal, may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association before those secret written ballots have been opened and counted at a meeting of the association.

3. If a member of an executive board is named as a respondent or sued for liability for actions undertaken in his role as a member of the board, the association shall indemnify him for his losses or claims, and undertake all costs of defense, unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof, the association is no longer liable for the cost of defense, and may recover costs already expended from the member of the executive board who so acted. Members of the executive board are not personally liable to the victims of crimes occurring on the property. Punitive damages may not be recovered against the association, but may be recovered from persons whose activity gave rise to the damages.

4. The provisions of this section do not prohibit the Commission from taking any disciplinary action against a member of an executive board pursuant to NRS 116.745 to 116.795, inclusive.

Sec. 14. NRS 116.31038 is hereby amended to read as follows:

116.31038 In addition to any applicable requirement set forth in NRS 116.310395, within 30 days after units' owners other than the declarant may elect a majority of the members of the executive board, the declarant shall deliver to the association all property of the units' owners and of the association held by or controlled by him, including:

1. The original or a certified copy of the recorded declaration as amended, the articles of incorporation, articles of association, articles of organization, certificate of registration, certificate of limited partnership, certificate of trust or other documents of organization for the association, the bylaws, minute books and other books and records of the association and any rules or regulations which may have been adopted.

2. An accounting for money of the association and audited financial statements for each fiscal year and any ancillary period from the date of ~~inception~~ *the last audit* of the association to the date the period of the declarant's control ends. The financial statements must fairly and accurately report the association's financial position. *The declarant shall pay the costs of the ancillary audit. The ancillary audit must be delivered within 210 days after the date the period of the declarant's control ends.*

3. A complete study of the reserves of the association, conducted by a person who ~~holds a permit to conduct such a study issued~~ *is registered as a reserve study specialist* pursuant to chapter 116A of NRS. At the time the control of the declarant ends, he shall:

(a) Except as otherwise provided in this paragraph, deliver to the association a reserve account that contains the declarant's share of the amounts then due, and control of the account. If the declaration was recorded before October 1, 1999, and, at the time the control of the declarant ends, he has failed to pay his share of the amounts due, the executive board shall authorize the declarant to pay the deficiency in installments for a period of 3 years, unless the declarant and the executive board agree to a shorter period.

(b) Disclose, in writing, the amount by which he has subsidized the association's dues on a per unit or per lot basis.

4. The association's money or control thereof.

5. All of the declarant's tangible personal property that has been represented by the declarant as property of the association or, unless the declarant has disclosed in the public offering statement that all such personal property used in the common-interest community will remain the declarant's property, all of the declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the common elements, and inventories of these properties.

6. A copy of any plans and specifications used in the construction of the improvements in the common-interest community which were completed within 2 years before the declaration was recorded.

7. All insurance policies then in force, in which the units' owners, the association, or its directors and officers are named as insured persons.

8. Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the common-interest community other than units in a planned community.

9. Any renewable permits and approvals issued by governmental bodies applicable to the common-interest community which are in force and any other permits and approvals so issued and applicable which are required by law to be kept on the premises of the community.

10. Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective.

11. A roster of owners and mortgagees of units and their addresses and telephone numbers, if known, as shown on the declarant's records.

12. Contracts of employment in which the association is a contracting party.

13. Any contract for service in which the association is a contracting party or in which the association or the units' owners have any obligation to pay a fee to the persons performing the services.

Sec. 15. NRS 116.310395 is hereby amended to read as follows:

116.310395 1. At the time of each close of escrow of a unit in a converted building, the declarant shall deliver to the association the amount of the converted building reserve deficit allocated to that unit.

2. The allocation to a unit of the amount of any converted building reserve deficit must be made in the same manner as assessments are allocated to that unit.

3. As used in this section, "converted building reserve deficit" means the amount necessary to replace the major components of the common elements needing replacement within 10 years after the date of the first ~~sale~~ close of escrow of a unit.

Sec. 15.5. NRS 116.3108 is hereby amended to read as follows:

116.3108 1. A meeting of the units' owners must be held at least once each year. If the governing documents do not designate an annual meeting date of the units' owners, a meeting of the units' owners must be held 1 year after the date of the last meeting of the units' owners. If the units' owners have not held a meeting for 1 year, a meeting of the units' owners must be held on the following March 1.

2. Special meetings of the units' owners may be called by the president, by a majority of the executive board or by units' owners constituting at least 10 percent, or any lower percentage specified in the bylaws, of the total number of voting members of the association. The same number of units' owners may also call a removal election pursuant to NRS 116.31036. To call a special meeting or a removal election, the units' owners must submit a written petition which is signed by the required percentage of the total number of voting members of the association pursuant to this section and which is mailed, return receipt requested, or served by a process server to the executive board or the community manager for the association. If the petition calls for a special meeting, the executive board shall set the date for the special meeting so that the special meeting is held not less than 15 days or more than 60 days after the date on which the petition is received. If the petition calls for a removal election and:

(a) The voting rights of the ~~units~~ owners *of time shares* will be exercised by delegates or representatives as set forth in NRS 116.31105, the executive board shall set the date for the removal election so that the removal election is held not less than 15 days or more than 60 days after the date on which the petition is received; or

(b) The voting rights of the units' owners will be exercised through the use of secret written ballots pursuant to NRS 116.31036, the secret written ballots for the removal election must be sent in the manner required by NRS 116.31036 not less than 15 days or more than 60 days after the date on which the petition is received, and the executive board shall set the date for the meeting to open and count the secret written ballots so that the meeting is held not more than 15 days after the deadline for returning the secret written ballots.

3. Not less than 15 days or more than 60 days in advance of any meeting of the units' owners, the secretary or other officer specified in the bylaws shall cause notice of the meeting to be hand-delivered, sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner or, if the association offers to send notice by electronic mail, sent by electronic mail at the request of the unit's owner to an electronic mail address designated in writing by the unit's owner. The notice of the meeting must state the time and place of the meeting and include a copy of the agenda for the meeting. The notice must include notification of the right of a unit's owner to:

(a) Have a copy of the minutes or a summary of the minutes of the meeting provided to the unit's owner upon request and, if required by the executive board, upon payment to the association of the cost of providing the copy to the unit's owner.

(b) Speak to the association or executive board, unless the executive board is meeting in executive session.

4. The agenda for a meeting of the units' owners must consist of:

(a) A clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the declaration or bylaws, any fees or assessments to be imposed or increased by the association, any budgetary changes and any proposal to remove an officer of the association or member of the executive board.

(b) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. In an emergency, the units' owners may take action on an item which is not listed on the agenda as an item on which action may be taken.

(c) A period devoted to comments by units' owners and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph (b).

5. If the association adopts a policy imposing fines for any violations of the governing documents of the association, the secretary or other officer specified in the bylaws shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner, a schedule of the fines that may be imposed for those violations.

6. The secretary or other officer specified in the bylaws shall cause minutes to be recorded or otherwise taken at each meeting of the units' owners. Not more than 30 days after each such meeting, the secretary or other officer specified in the bylaws shall cause the minutes or a summary of the minutes of the meeting to be made available to the units' owners. A copy of the minutes or a summary of the minutes must be provided to any unit's owner upon request and, if required by the executive board, upon payment to the association of the cost of providing the copy to the unit's owner.

7. Except as otherwise provided in subsection 8, the minutes of each meeting of the units' owners must include:

- (a) The date, time and place of the meeting;
- (b) The substance of all matters proposed, discussed or decided at the meeting; and
- (c) The substance of remarks made by any unit's owner at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion.

8. The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of a meeting of the units' owners.

9. The association shall maintain the minutes of each meeting of the units' owners until the common-interest community is terminated.

10. A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the units' owners if the unit's owner, before recording the meeting, provides notice of his intent to record the meeting to the other units' owners who are in attendance at the meeting.

11. The units' owners may approve, at the annual meeting of the units' owners, the minutes of the prior annual meeting of the units' owners and the minutes of any prior special meetings of the units' owners. A quorum is not required to be present when the units' owners approve the minutes.

12. As used in this section, "emergency" means any occurrence or combination of occurrences that:

- (a) Could not have been reasonably foreseen;
- (b) Affects the health, welfare and safety of the units' owners or residents of the common-interest community;
- (c) Requires the immediate attention of, and possible action by, the executive board; and
- (d) Makes it impracticable to comply with the provisions of subsection 3 or 4.

Sec. 16. NRS 116.31083 is hereby amended to read as follows:

116.31083 1. A meeting of the executive board must be held at least once every ~~100~~ quarter, and not less than once every 100 days.

2. Except in an emergency ~~as otherwise provided in subsection 3 or 4~~ or unless the bylaws of an association require a longer period of notice, the secretary or other officer specified in the bylaws of the association shall, not less than 10 days before the date of a meeting of the executive board, cause notice of the meeting to be given to the units' owners. Such notice must be:

- (a) Sent prepaid by United States mail to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner;

(b) If the association offers to send notice by electronic mail, sent by electronic mail at the request of the unit's owner to an electronic mail address designated in writing by the unit's owner; or

(c) Published in a newsletter or other similar publication that is circulated to each unit's owner.

3. ~~In *Except as otherwise provided in subsection 4, in*~~ an emergency, the secretary or other officer specified in the bylaws of the association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each unit within the common-interest community. If delivery of the notice in this manner is impracticable, the notice must be hand-delivered to each unit within the common-interest community or posted in a prominent place or places within the common elements of the association.

4. ~~If the sole purpose of a meeting of the executive board is to meet in executive session pursuant to subsection 4 of NRS 116.31085, notice of the meeting pursuant to this section is not required.~~

~~5.~~ The notice of a meeting of the executive board must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the units' owners. The notice must include notification of the right of a unit's owner to:

(a) Have a copy of the minutes or a summary of the minutes of the meeting provided to the unit's owner upon request and, if required by the executive board, upon payment to the association of the cost of providing the copy to the unit's owner.

(b) Speak to the association or executive board, unless the executive board is meeting in executive session.

~~5.~~ ~~6.~~ The agenda of the meeting of the executive board must comply with the provisions of subsection 4 of NRS 116.3108. The period required to be devoted to comments by the units' owners and discussion of those comments must be scheduled for the beginning of each meeting. In an emergency, the executive board may take action on an item which is not listed on the agenda as an item on which action may be taken.

~~6.~~ ~~7.~~ At least once every ~~90~~ quarter, and not less than once every 100 days, unless the declaration or bylaws of the association impose more stringent standards, the executive board shall review, at a minimum, the following financial information at one of its meetings:

- (a) A current year-to-date financial statement of the association;
- (b) A current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts;
- (c) A current reconciliation of the operating account of the association;
- (d) A current reconciliation of the reserve account of the association;
- (e) The latest account statements prepared by the financial institutions in which the accounts of the association are maintained; and
- (f) The current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.

~~7.~~ ~~8.~~ The secretary or other officer specified in the bylaws shall cause minutes to be recorded or otherwise taken at each meeting of the executive board. Not more than 30 days after each such meeting, the secretary or other officer specified in the bylaws shall cause the minutes or a summary of the minutes of the meetings to be made available to the units' owners. A copy of the minutes or a summary of the minutes must be provided to any unit's owner upon request and, if required by the executive board, upon payment to the association of the cost of providing the copy to the unit's owner.

~~8.~~ ~~9.~~ Except as otherwise provided in subsection ~~9~~ ~~10~~ and NRS 116.31085, the minutes of each meeting of the executive board must include:

- (a) The date, time and place of the meeting;
- (b) Those members of the executive board who were present and those members who were absent at the meeting;
- (c) The substance of all matters proposed, discussed or decided at the meeting;
- (d) A record of each member's vote on any matter decided by vote at the meeting; and

(e) The substance of remarks made by any unit's owner who addresses the executive board at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion.

9. ~~10.~~ The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings.

10. ~~11.~~ The association shall maintain the minutes of each meeting of the executive board until the common-interest community is terminated.

11. ~~12.~~ A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the executive board, unless the executive board is meeting in executive session, if the unit's owner, before recording the meeting, provides notice of his intent to record the meeting to the members of the executive board and the other units' owners who are in attendance at the meeting.

12. ~~13.~~ As used in this section, "emergency" means any occurrence or combination of occurrences that:

(a) Could not have been reasonably foreseen;
 (b) Affects the health, welfare and safety of the units' owners or residents of the common-interest community;

(c) Requires the immediate attention of, and possible action by, the executive board; and

(d) Makes it impracticable to comply with the provisions of subsection 2 or 5. ~~6.~~

Sec. 16.5. NRS 116.311 is hereby amended to read as follows:

116.311 1. If only one of several owners of a unit is present at a meeting of the association, that owner is entitled to cast all the votes allocated to that unit. If more than one of the owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners, unless the declaration expressly provides otherwise. There is majority agreement if any one of the owners cast the votes allocated to that unit without protest made promptly to the person presiding over the meeting by any of the other owners of the unit.

2. Except as otherwise provided in this section, votes allocated to a unit may be cast pursuant to a proxy executed by a unit's owner. A unit's owner may give a proxy only to a member of his immediate family, a tenant of the unit's owner who resides in the common-interest community, another unit's owner who resides in the common-interest community, or a delegate or representative when authorized pursuant to NRS 116.31105. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through an executed proxy. A unit's owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the association.

3. Before a vote may be cast pursuant to a proxy:

(a) The proxy must be dated.

(b) The proxy must not purport to be revocable without notice.

(c) The proxy must designate the meeting for which it is executed.

(d) The proxy must designate each specific item on the agenda of the meeting for which the unit's owner has executed the proxy, except that the unit's owner may execute the proxy without designating any specific items on the agenda of the meeting if the proxy is to be used solely for determining whether a quorum is present for the meeting. If the proxy designates one or more specific items on the agenda of the meeting for which the unit's owner has executed the proxy, the proxy must indicate, for each specific item designated in the proxy, whether the holder of the proxy must cast a vote in the affirmative or the negative on behalf of the unit's owner. If the proxy does not indicate whether the holder of the proxy must cast a vote in the affirmative or the negative for a particular item on the agenda of the meeting, the proxy must be treated, with regard to that particular item, as if the unit's owner were present but not voting on that particular item.

(e) The holder of the proxy must disclose at the beginning of the meeting for which the proxy is executed the number of proxies pursuant to which the holder will be casting votes.

4. A proxy terminates immediately after the conclusion of the meeting for which it is executed.

5. ~~{A}~~ *Except as otherwise provided in this subsection, a* vote may not be cast pursuant to a proxy for the election or removal of a member of the executive board of an association. ~~{unless}~~ *A vote may be cast pursuant to a proxy for the election or removal of a member of the executive board of a master association which governs a time-share plan created pursuant to chapter 119A of NRS if the proxy is exercised through a delegate or representative authorized pursuant to NRS 116.31105.*

6. The holder of a proxy may not cast a vote on behalf of the unit's owner who executed the proxy in a manner that is contrary to the proxy.

7. A proxy is void if the proxy or the holder of the proxy violates any provision of subsections 1 to 6, inclusive.

8. If the declaration requires that votes on specified matters affecting the common-interest community must be cast by the lessees of leased units rather than the units' owners who have leased the units:

(a) The provisions of subsections 1 to 7, inclusive, apply to the lessees as if they were the units' owners;

(b) The units' owners who have leased their units to the lessees may not cast votes on those specified matters;

(c) The lessees are entitled to notice of meetings, access to records and other rights respecting those matters as if they were the units' owners; and

(d) The units' owners must be given notice, in the manner provided in NRS 116.3108, of all meetings at which the lessees are entitled to vote.

9. If any votes are allocated to a unit that is owned by the association, those votes may not be cast, by proxy or otherwise, for any purpose.

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

Sec. 19. (Deleted by amendment.)

Sec. 20. (Deleted by amendment.)

Sec. 20.3. *NRS 116.31105 is hereby amended to read as follows:*

116.31105 1. If the declaration so provides, in a common-interest community that consists of at least 1,000 units, the voting rights of the units' owners in the association for that common-interest community may be exercised by delegates or representatives ~~{}~~ *except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives.*

2. In addition to a common-interest community identified in subsection 1, if the declaration so provides, in a common-interest community created before October 1, 1999, the voting rights of the units' owners in the association for that common-interest community may be exercised by delegates or representatives ~~{}~~ *except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives.*

3. *In addition to a common-interest community identified in subsections 1 and 2, if the declaration so provides, the voting rights of the owners of time shares within a time-share plan created pursuant to chapter 119A of NRS which is governed by a master association may be exercised by delegates or representatives.*

4. For the purposes of subsection 1, each unit that a declarant has reserved the right to create pursuant to NRS 116.2105 and for which developmental rights exist must be counted in determining the number of units in a common-interest community.

~~{4}~~ 5. *For the purposes of subsection 3, each time share that a developer has reserved the right to create pursuant to paragraph (g) of subsection 2 of NRS 119A.380 must be counted in determining the number of time shares in a time-share plan.*

6. Notwithstanding any provision in the declaration, the election of any delegate or representative must be conducted by secret written ballot.

~~{5}~~ 7. When an election of a delegate or representative is conducted by secret written ballot:

(a) The secretary or other officer of the association specified in the bylaws of the association shall cause a secret written ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) Only the secret written ballots that are returned to the association in the manner prescribed on the ballot may be counted to determine the outcome of the election.

(d) The secret written ballots must be opened and counted at a meeting called for the purpose of electing delegates or representatives. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(e) A candidate for delegate or representative may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association in the manner prescribed on the ballot before those secret written ballots have been opened and counted at a meeting called for that purpose.

Sec. 20.7. NRS 116.31105 is hereby amended to read as follows:

116.31105 1. ~~116.31105~~ *Except as otherwise provided in subsection 8, if* the declaration so provides, in a common-interest community that consists of at least 1,000 units, the voting rights of the units' owners in the association for that common-interest community may be exercised by delegates or representatives except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives.

2. ~~116.31105~~ *Except as otherwise provided in subsection 8, in* addition to a common-interest community identified in subsection 1, if the declaration so provides, in a common-interest community created before October 1, 1999, the voting rights of the units' owners in the association for that common-interest community may be exercised by delegates or representatives except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives.

3. In addition to a common-interest community identified in subsections 1 and 2, if the declaration so provides, the voting rights of the owners of time shares within a time-share plan created pursuant to chapter 119A of NRS which is governed by a master association may be exercised by delegates or representatives.

4. For the purposes of subsection 1, each unit that a declarant has reserved the right to create pursuant to NRS 116.2105 and for which developmental rights exist must be counted in determining the number of units in a common-interest community.

5. For the purposes of subsection 3, each time share that a developer has reserved the right to create pursuant to paragraph (g) of subsection 2 of NRS 119A.380 must be counted in determining the number of time shares in a time-share plan.

6. Notwithstanding any provision in the declaration, the election of any delegate or representative must be conducted by secret written ballot.

7. When an election of a delegate or representative is conducted by secret written ballot:

(a) The secretary or other officer of the association specified in the bylaws of the association shall cause a secret written ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) Only the secret written ballots that are returned to the association in the manner prescribed on the ballot may be counted to determine the outcome of the election.

(d) The secret written ballots must be opened and counted at a meeting called for the purpose of electing delegates or representatives. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(e) A candidate for delegate or representative may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association in the manner prescribed on the ballot before those secret written ballots have been opened and counted at a meeting called for that purpose.

8. *Except as otherwise provided in subsection 9, the voting rights of the units' owners in the association for a common-interest community may be exercised by delegates or representatives only during the period that the declarant is in control of the association and during the 2-year period after the declarant's control of the association is terminated pursuant to NRS 116.31032.*

9. The provisions of subsection 8 do not apply to:

(a) A time-share plan created pursuant to chapter 119A of NRS which is governed by a master association; or

(b) A condominium or cooperative containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted.

Sec. 21. NRS 116.31144 is hereby amended to read as follows:

116.31144 1. Except as otherwise provided in ~~[subsection 2,]~~ *this section*, the executive board shall:

(a) If the annual budget of the association is less than \$75,000, cause the financial statement of the association to be audited by ~~[an independent certified public accountant]~~ a person deemed qualified by the association to conduct such an audit at least once every 4 fiscal years.

(b) If the annual budget of the association is \$75,000 or more but less than \$150,000, cause the financial statement of the association to be:

(1) Audited by an independent certified public accountant at least once every 4 fiscal years; and

(2) Reviewed by an independent certified public accountant every fiscal year for which an audit is not conducted.

(c) If the annual budget of the association is \$150,000 or more, cause the financial statement of the association to be audited by an independent certified public accountant every fiscal year.

2. For any fiscal year for which an audit of the financial statement of the association will not be conducted pursuant to subsection 1, the executive board shall cause the financial statement for that fiscal year to be audited by ~~[an]~~ :

(a) A person deemed qualified by the association to conduct such an audit if the annual budget of the association is less than \$75,000; or

(b) An independent certified public accountant if the annual budget of the association is \$75,000 or more.

~~if~~ if, within 180 days before the end of the fiscal year, 15 percent of the total number of voting members of the association submit a written request for such an audit.

3. The Commission shall adopt regulations prescribing the requirements for the auditing or reviewing of the financial statements of an association pursuant to this section. Such regulations must include, without limitation:

(a) The qualifications necessary for a person to audit or review financial statements of an association; ~~and~~

(b) The standards and format to be followed in auditing or reviewing financial statements of an association ~~and~~ ; ~~and~~

(c) ~~The requirement that an audit or review of the financial statements of an association be completed within 180 days after the end of the fiscal year.~~ ; ~~and~~

~~(d) The ability of the Commission to grant an exemption to the requirement of an audit or review of the financial statements of an association with an annual budget that is less than \$75,000. To receive an exemption pursuant to this paragraph, an association must submit a request to the Commission which includes a written statement of the reasons for requesting the exemption. If the Commission grants the exemption, the Commission shall notify the association within 30 days after receipt of the request for exemption.~~

Sec. 22. NRS 116.3115 is hereby amended to read as follows:

116.3115 1. Until the association makes an assessment for common expenses, the declarant shall pay all common expenses. After an assessment has been made by the association, assessments must be made at least annually, based on a budget adopted at least annually by the association in accordance with the requirements set forth in NRS 116.31151. Unless the declaration imposes more stringent standards, the budget must include a budget for the daily operation of the association and a budget for the reserves required by paragraph (b) of subsection 2.

2. Except for assessments under subsections 4 to 7, inclusive:

(a) All common expenses, including the reserves, must be assessed against all the units in accordance with the allocations set forth in the declaration pursuant to subsections 1 and 2 of NRS 116.2107.

(b) The association shall establish adequate reserves, funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements. The reserves may be used only for those purposes, including, without limitation, repairing, replacing and restoring roofs, roads and sidewalks, and must not be used for daily maintenance. The association may comply with the provisions of this paragraph through a funding plan that is designed to allocate the costs for the repair, replacement and restoration of the major components of the common elements over a period of years if the funding plan is designed in an actuarially sound manner which will ensure that sufficient money is available when the repair, replacement and restoration of the major components of the common elements are necessary. *Notwithstanding any provision of the governing documents to the contrary, to establish adequate reserves pursuant to this paragraph, including, without limitation, to establish or carry out a funding plan, the executive board may, without seeking or obtaining the approval of the units' owners, impose any necessary and reasonable assessments against the units in the common-interest community if such assessments are made pursuant to findings contained in a study of the reserves of the association ~~(prepared by a person who is registered as a reserve study specialist pursuant to chapter 116A of~~ conducted pursuant to NRS ~~116.31152 and an~~ 116.31152 and an annual review of the results of that study pertaining to whether the amount of the reserves available for the next 5 years is sufficient to repair, replace and restore the major components of the common elements designated in the funding plan conducted.*

3. Any past due assessment for common expenses or installment thereof bears interest at the rate established by the association not exceeding 18 percent per year.

4. To the extent required by the declaration:

(a) Any common expense associated with the maintenance, repair, restoration or replacement of a limited common element must be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(b) Any common expense or portion thereof benefiting fewer than all of the units must be assessed exclusively against the units benefited; and

(c) The costs of insurance must be assessed in proportion to risk and the costs of utilities must be assessed in proportion to usage.

5. Assessments to pay a judgment against the association may be made only against the units in the common-interest community at the time the judgment was entered, in proportion to their liabilities for common expenses.

6. If any common expense is caused by the misconduct of any unit's owner, the association may assess that expense exclusively against his unit.

7. The association of a common-interest community created before January 1, 1992, is not required to make an assessment against a vacant lot located within the community that is owned by the declarant.

8. If liabilities for common expenses are reallocated, assessments for common expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated liabilities.

9. The association shall provide written notice to each unit's owner of a meeting at which an assessment for a capital improvement is to be considered or action is to be taken on such an assessment at least 21 calendar days before the date of the meeting.

Sec. 23. NRS 116.31152 is hereby amended to read as follows:

116.31152 1. The executive board shall:

(a) At least once every 5 years, cause to be conducted a study of the reserves required to repair, replace and restore the major components of the common elements . ~~{ }~~

(b) At least annually, review the results of that study to determine whether those reserves are sufficient . ~~{ and }~~ *The reserves shall be deemed adequately funded if ~~{ }~~*

~~(1) The amount of the reserves is equal to or greater than the amount specified in the funding plan; or~~

~~(2) ~~The~~ the amount of reserves available for the next 5 years is sufficient to repair, replace and restore the major components of the common elements designated in the funding plan.~~

(c) At least annually, make any adjustments to the association's funding plan which the executive board deems necessary to provide adequate funding for the required reserves.

2. The study of the reserves required by subsection 1 must be conducted by a person who ~~holds a permit issued~~ *is registered as a reserve study specialist pursuant to chapter 116A of NRS ~~(1)~~, unless the association contains 20 or fewer units and is located in a county whose population is 45,000 or less, and then the study must be conducted by a person deemed qualified by the executive board to conduct such a study.*

3. The study of the reserves must include, without limitation:

(a) A summary of an inspection of the major components of the common elements that the association is obligated to repair, replace or restore;

(b) An identification of the major components of the common elements that the association is obligated to repair, replace or restore which have a remaining useful life of less than 30 years;

(c) An estimate of the remaining useful life of each major component of the common elements identified pursuant to paragraph (b);

(d) An estimate of the cost of repair, replacement or restoration of each major component of the common elements identified pursuant to paragraph (b) during and at the end of its useful life; and

(e) An estimate of the total annual assessment that may be necessary to cover the cost of repairing, replacement or restoration of the major components of the common elements identified pursuant to paragraph (b), after subtracting the reserves of the association as of the date of the study, and an estimate of the funding plan that may be necessary to provide adequate funding for the required reserves.

4. A summary of the study of the reserves required by subsection 1 must be submitted to the Division not later than 45 days after the date that the executive board adopts the results of the study.

5. If a common-interest community was developed as part of a planned unit development pursuant to chapter 278A of NRS and is subject to an agreement with a city or county to receive credit against the amount of the residential construction tax that is imposed pursuant to NRS 278.4983 and 278.4985, the association that is organized for the common-interest community may use the money from that credit for the repair, replacement or restoration of park facilities and related improvements if:

(a) The park facilities and related improvements are identified as major components of the common elements of the association; and

(b) The association is obligated to repair, replace or restore the park facilities and related improvements in accordance with the study of the reserves required by subsection 1.

Sec. 23.3. NRS 116.31153 is hereby amended to read as follows:

116.31153 1. Money in the reserve account of an association required by paragraph (b) of subsection 2 of NRS 116.3115 may not be withdrawn without the signatures of at least two members of the executive board or the signatures of at least one member of the executive board and one officer of the association who is not a member of the executive board.

2. Money in the operating account of an association may not be withdrawn without the signatures of at least one member of the executive board or one officer of the association and a member of the executive board, an officer of the association or the community manager.

Sec. 23.7. NRS 116.31166 is hereby amended to read as follows:

116.31166 1. The recitals in a deed made pursuant to NRS 116.31164 of:

(a) Default, the mailing of the notice of delinquent assessment, and the recording of the notice of default and election to sell;

(b) The elapsing of the 90 days; and

(c) The giving of notice of sale,

are conclusive proof of the matters recited.

2. Such a deed containing those recitals is conclusive against the unit's former owner, his heirs and assigns, and all other persons. The receipt for the purchase money contained in such a deed is sufficient to discharge the purchaser from obligation to see to the proper application of the purchase money.

3. The sale of a unit pursuant to NRS 116.31162, 116.31163 and 116.31164 ~~vests in the purchaser the title of the unit's owner without~~ is subject to an equity or right of redemption ~~(1)~~ as provided in this section.

4. Upon a sale of a unit:

(a) The purchaser acquires all the right, title, interest and claim of the unit's owner thereto; and

(b) The purchaser must receive a certificate of sale in recordable form which must state:

(1) The description of the unit sold;

(2) The price bid for the unit sold; and

(3) That the unit is subject to redemption within 120 days after the date of the sale.

5. A copy of the certificate of sale must be posted on the door of the unit, with a copy mailed first class, postage prepaid, to the addresses of the unit's owner and persons entitled to redeem as indicated in the records of the association and the last known address as shown in the records of the county.

6. A person who purchases a unit at a sale pursuant to this section may not transfer ownership of the unit to a person other than a unit's owner or redemptioner during the redemption period.

7. A unit sold subject to redemption, as provided in this section, may be redeemed within 120 days after the date of the sale in the manner hereinafter provided by the following persons or their successors in interest:

(a) The unit's owner or a successor in interest with a recorded interest in the whole or any part of the unit.

(b) A creditor having a security interest on the unit sold or on some share or part thereof.

8. To redeem a unit purchased at a sale pursuant to this section, the unit's owner or redemptioner must pay to the purchaser:

(a) The amount the purchaser paid for the unit at the sale;

(b) The amount of the fee for recording the certificate of sale; and

(c) The amount paid by the purchaser for property taxes and assessments, including, without limitation, assessments due under any applicable declaration, any penalties, interest and costs on the unit, and any applicable real property transfer taxes.

9. Written notice of redemption in recordable form must be given to the redemptioner by the purchaser at the time of payment.

10. If the property is not redeemed within the 120-day period, then the purchaser or his assignee is entitled to a deed to the property from the association.

Sec. 24. (Deleted by amendment.)

Sec. 25. (Deleted by amendment.)

Sec. 26. (Deleted by amendment.)

Sec. 27. (Deleted by amendment.)

Sec. 28. NRS 116.31175 is hereby amended to read as follows:

116.31175 1. Except as otherwise provided in this subsection, the executive board of an association shall, upon the written request of a unit's owner, make available the books, records and other papers of the association for review during the regular working hours of the association, including, without limitation, all contracts to which the association is a party and all records filed with a court relating to a civil or criminal action to which the association is a party. The provisions of this subsection do not apply to:

(a) The personnel records of the employees of the association, except for those records relating to the number of hours worked and the salaries and benefits of those employees;

(b) The records of the association relating to another unit's owner, except for those records described in subsection 2; ~~and~~

(c) A contract between the association and an attorney ~~[-]~~; and

(d) Any document, including, without limitation, minutes of an executive board meeting, a reserve study and a budget, if the document:

(1) Is in the process of being developed for final consideration by the executive board; and

(2) Has not been placed on an agenda for final approval by the executive board.

2. The executive board of an association shall maintain a general record concerning each violation of the governing documents, other than a violation involving a failure to pay an assessment, for which the executive board has imposed a fine, a construction penalty or any other sanction. The general record:

(a) Must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount of the fine or construction penalty.

(b) Must not contain the name or address of the person against whom the sanction was imposed or any other personal information which may be used to identify the person or the location of the unit, if any, that is associated with the violation.

(c) Must be maintained in an organized and convenient filing system or data system that allows a unit's owner to search and review the general records concerning violations of the governing documents.

3. If the executive board refuses to allow a unit's owner to review the books, records or other papers of the association, the Ombudsman may:

(a) On behalf of the unit's owner and upon written request, review the books, records or other papers of the association during the regular working hours of the association; and

(b) If he is denied access to the books, records or other papers, request the Commission, or any member thereof acting on behalf of the Commission, to issue a subpoena for their production.

4. The books, records and other papers of an association must be maintained for at least 10 years. The provisions of this subsection do not apply to:

(a) The minutes of a meeting of the units' owners which must be maintained in accordance with NRS 116.3108; or

(b) The minutes of a meeting of the executive board which must be maintained in accordance with NRS 116.31083.

5. The executive board shall not require a unit's owner to pay an amount in excess of \$10 per hour to review any books, records, contracts or other papers of the association pursuant to the provisions of this section.

6. *If an official publication contains or will contain any mention of a candidate or ballot question, the official publication must, upon request and without charge, provide equal space in the same issue to the candidate or a representative of an organization which supports the passage or defeat of the ballot question.*

7. *Except as otherwise provided in this subsection, if an official publication contains or will contain the views or opinions of the association, the executive board, a community manager or an officer, employee or agent of an association concerning an issue of official interest, the official publication must, upon request and without charge, provide equal space to opposing views and opinions of a unit's owner, tenant or resident of the common-interest community.*

8. *As used in this section:*

(a) *"Issue of official interest" includes, without limitation:*

(1) *Any issue on which the executive board or the units' owners will be voting, including, without limitation, the election of members of the executive board; and*

(2) *The enactment or adoption of rules or regulations that will affect a common-interest community.*

(b) *"Official publication" means:*

(1) *An official website;*

(2) *An official newsletter or other similar publication that is circulated to each unit's owner; or*

(3) *An official bulletin board that is available to each unit's owner,*

➤ which is published or maintained at the cost of an association and by an association, an executive board, a member of an executive board, a community manager or an officer, employee or agent of an association.

Sec. 29. NRS 116.31187 is hereby amended to read as follows:

116.31187 1. Except as otherwise provided in this section, a member of an executive board or an officer of an association shall not:

(a) On or after October 1, 2003, enter into a contract or renew a contract with the association to provide *financing*, goods or services to the association; or

(b) Otherwise accept any commission, personal profit or compensation of any kind from the association for providing *financing*, goods or services to the association.

2. The provisions of this section do not prohibit a declarant, an affiliate of a declarant or an officer, employee or agent of a declarant or an affiliate of a declarant from:

(a) Receiving any commission, personal profit or compensation from the association, the declarant or an affiliate of the declarant for any *financing*, goods or services furnished to the association;

(b) Entering into contracts with the association, the declarant or affiliate of the declarant; or

(c) Serving as a member of the executive board or as an officer of the association.

Sec. 29.5. *NRS 116.335 is hereby amended to read as follows:*

116.335 1. ~~Except as otherwise provided in~~ *Unless, at the time a unit's owner purchased his unit, the declaration ~~is prohibited the unit's owner from renting or leasing his unit, the association may not prohibit the unit's owner from renting or leasing his unit.~~*

2. Unless, at the time a unit's owner purchased his unit, the declaration required the unit's owner to secure or obtain any approval from the association in order to rent or lease his unit, an association may not require ~~the~~ the unit's owner to secure or obtain any approval from the association in order to rent or lease his unit.

~~2.3.~~ 3. The provisions of this section do not prohibit an association from enforcing any provisions which govern the renting or leasing of units and which are contained in this chapter or in any other applicable federal, state or local laws or regulations.

Sec. 30. NRS 116.345 is hereby amended to read as follows:

116.345 1. An association of a planned community may not restrict, prohibit or otherwise impede the lawful residential use of any property that is within or encompassed by the boundaries of the planned community and that is not designated as part of the planned community.

2. Except as otherwise provided in this subsection, an association may not restrict the access of a person to any of his property. An association may restrict access to and from a unit within a planned community if the right to restrict such access was included in the declaration or in a separate recorded instrument at the time that the owner of the unit acquired title to the unit. The provisions of this subsection do not prohibit an association from charging the owner of the property a reasonable and nondiscriminatory fee to operate or maintain a gate or other similar device designed to control access to the planned community that would otherwise impede ingress or egress to the property.

3. An association may not expand, construct or situate a building or structure that is not part of any plat or plan of the planned community if the expansion, construction or situation of the building or structure was not previously disclosed to the units' owners of the planned community unless the association obtains the written consent of a majority of the units' owners and residents of the planned community who own property or reside within 500 feet of the proposed location of the building or structure.

4. *An association may not interrupt any utility service furnished to a unit's owner or a tenant of a unit's owner except for the nonpayment of utility charges when due. The interruption of any utility service pursuant to this subsection must be performed in a manner which is consistent with all laws, regulations and governing documents relating to the interruption of any utility service. An association must in every case send a written notice of its intent to interrupt any utility service to the unit's owner or the tenant of the unit's owner at least 10 days before the association interrupts any utility service.*

5. The provisions of this section do not abrogate any easement, restrictive covenant, decision of a court, agreement of a party or any contract, governing document or declaration of covenants, conditions and restrictions, or any other decision, rule or regulation that a local governing body or other entity that makes decisions concerning land use or planning is authorized to make or enact that exists before October 1, 1999, including, without limitation, a zoning ordinance, permit or approval process or any other requirement of a local government or other entity that makes decisions concerning land use or planning.

Sec. 31. NRS 116.350 is hereby amended to read as follows:

116.350 1. In a common-interest community which is not gated or enclosed and the access to which is not restricted or controlled by a person or device, the executive board shall not and the governing documents must not provide for the regulation of any road, street, alley or

other thoroughfare the right-of-way of which is accepted by the State or a local government for dedication as a road, street, alley or other thoroughfare for public use.

2. ~~[(The)] Except as otherwise provided in subsection 3, the provisions of subsection 1 do not preclude an association from adopting, and do not preclude the governing documents of an association from setting forth, rules that reasonably restrict the~~

~~(a) Parking on any road, street, alley or other thoroughfare the right of way of which is accepted by the State or a local government for dedication as a road, street, alley or other thoroughfare for public use if the requirement that no parking be allowed is included in the terms of any applicable zoning ordinance, permit or approval or as a condition for approval of any final subdivision map; or~~

~~(b) The parking or storage of inoperable vehicles, recreational vehicles, watercraft, trailers or commercial vehicles in the common-interest community to the extent authorized by law.~~

3. In a common-interest community, the executive board shall not and the governing documents must not prohibit a person from:

(a) Parking a utility service vehicle that has a gross vehicle weight rating of 20,000 pounds or less on a driveway, road, street, alley or other thoroughfare:

(1) While the person is engaged in any activity relating to the delivery of public utility services to subscribers or consumers; or

(2) If the person is:

(I) A unit's owner;

(II) Parking the vehicle within 50 yards of his unit; and

(III) Bringing the vehicle to his unit pursuant to his employment with the entity which owns the vehicle for the purpose of responding to requests for public utility services; or

(b) Parking a law enforcement vehicle or emergency services vehicle on a driveway, road, street, alley or other thoroughfare:

(1) While the person is engaged in his official duties; or

(2) If the person is:

(I) A unit's owner;

(II) Parking the vehicle within 50 yards of his unit; and

(III) Bringing the vehicle to his unit pursuant to his employment with the entity which owns the vehicle for the purpose of responding to requests for law enforcement services or emergency services.

4. As used in this section:

(a) "Commercial motor vehicle" has the meaning ascribed to it in 49 C.F.R. § 350.105.

(b) "Emergency services vehicle" means a vehicle:

(1) Owned by any governmental agency or political subdivision of this State; and

(2) Identified by the entity which owns the vehicle as a vehicle used to provide emergency services.

(c) "Law enforcement vehicle" means a vehicle:

(1) Owned by any governmental agency or political subdivision of this State; and

(2) Identified by the entity which owns the vehicle as a vehicle used to provide law enforcement services.

(d) "Utility service vehicle" means any commercial motor vehicle:

(1) Used in the furtherance of repairing, maintaining or operating any structure or any other physical facility necessary for the delivery of public utility services, including, without limitation, the furnishing of electricity, gas, water, sanitary sewer, telephone, cable or community antenna service.

(2) Except for any emergency use, operated primarily within the service area of a utility's subscribers or consumers, without regard to whether the commercial motor vehicle is owned, leased or rented by the utility.

Sec. 31.5. NRS 116.4109 is hereby amended to read as follows:

116.4109 1. Except in the case of a sale in which delivery of a public offering statement is required, or unless exempt under subsection 2 of NRS 116.4101, a unit's owner or his authorized agent shall furnish to a purchaser a resale package containing all of the following:

(a) A copy of the declaration, other than any plats and plans, the bylaws, the rules or regulations of the association and the information statement required by NRS 116.41095;

(b) A statement setting forth the amount of the monthly assessment for common expenses and any unpaid assessment of any kind currently due from the selling unit's owner;

(c) A copy of the current operating budget of the association and current year-to-date financial statement for the association, which must include a summary of the reserves of the association required by NRS 116.31152 and which must include, without limitation, a summary of the information described in paragraphs (a) to (e), inclusive, of subsection 3 of NRS 116.31152; and

(d) A statement of any unsatisfied judgments or pending legal actions against the association and the status of any pending legal actions relating to the common-interest community of which the unit's owner has actual knowledge.

2. The purchaser may, by written notice, cancel the contract of purchase until midnight of the fifth calendar day following the date of receipt of the resale package described in subsection 1, and the contract for purchase must contain a provision to that effect. If the purchaser elects to cancel a contract pursuant to this subsection, he must hand deliver the notice of cancellation to the unit's owner or his authorized agent or mail the notice of cancellation by prepaid United States mail to the unit's owner or his authorized agent. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded promptly. If the purchaser has accepted a conveyance of the unit, the purchaser is not entitled to:

(a) Cancel the contract pursuant to this subsection; or

(b) Damages, rescission or other relief based solely on the ground that the unit's owner or his authorized agent failed to furnish the resale package, or any portion thereof, as required by this section.

3. Within 10 days after receipt of a written request by a unit's owner or his authorized agent, the association shall furnish all of the following to the unit's owner or his authorized agent for inclusion in the resale package:

(a) Copies of the documents required pursuant to paragraphs (a) and (c) of subsection 1; and

(b) A certificate containing the information necessary to enable the unit's owner to comply with paragraphs (b) and (d) of subsection 1.

4. If the association furnishes the documents and certificate pursuant to subsection 3:

(a) The unit's owner or his authorized agent shall include the documents and certificate in the resale package provided to the purchaser, and neither the unit's owner nor his authorized agent is liable to the purchaser for any erroneous information provided by the association and included in the documents and certificate.

(b) The association may charge the unit's owner a reasonable fee to cover the cost of preparing the certificate furnished pursuant to subsection 3. Such a fee must be based on the actual cost the association incurs to fulfill the requirements of this section in preparing the certificate. The Commission shall adopt regulations establishing the maximum amount of the fee that an association may charge for preparing the certificate.

(c) The association may charge the unit's owner a reasonable fee, not to exceed 25 cents per page, to cover the cost of copying the other documents furnished pursuant to subsection 3.

(d) Except for the fees allowed pursuant to paragraphs (b) and (c), the association may not charge the unit's owner any other fees for preparing or furnishing the documents and certificate pursuant to subsection 3.

5. If the association enters into a contract or agreement with any person or entity to furnish the documents and certificate pursuant to subsection 3:

(a) The contract or agreement must not allow a unit's owner to be charged any fee that exceeds the amount of the fee that the association may charge pursuant to subsection 4; and

(b) The person or entity shall not charge or attempt to charge any such fee.

6. Neither a purchaser nor the purchaser's interest in a unit is liable for any unpaid assessment or fee greater than the amount set forth in the documents and certificate prepared by the association. If the association fails to furnish the documents and certificate within the 10 days allowed by this section, the seller is not liable for the delinquent assessment.

~~6.7.~~ 7. Upon the request of a unit's owner or his authorized agent, or upon the request of a purchaser to whom the unit's owner has provided a resale package pursuant to this section or his authorized agent, the association shall make the entire study of the reserves of the association which is required by NRS 116.31152 reasonably available for the unit's owner, purchaser or

authorized agent to inspect, examine, photocopy and audit. The study must be made available at the business office of the association or some other suitable location within the county where the common-interest community is situated or, if it is situated in more than one county, within one of those counties.

8. The association may not charge a unit's owner, and may not require a unit's owner to pay, any fee related to the resale of a unit that is not specifically authorized pursuant to this section, including, without limitation, any transaction fee, transfer fee or other similar fee.

Sec. 32. NRS 116.411 is hereby amended to read as follows:

116.411 1. Except as otherwise provided in subsections 2 ~~[and 3]~~, 3 and 4, a deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to subsection 3 of NRS 116.4102 must be placed in escrow and held either in this State or in the state where the unit is located in an account designated solely for that purpose by a licensed title insurance company, an independent bonded escrow company, or an institution whose accounts are insured by a governmental agency or instrumentality until:

- (a) Delivered to the declarant at closing;
- (b) Delivered to the declarant because of the purchaser's default under a contract to purchase the unit;
- (c) Released to the declarant for an additional item, improvement, optional item or alteration, but the amount so released:
 - (1) Must not exceed the lesser of the amount due the declarant from the purchaser at the time of the release or the amount expended by the declarant for the purpose; and
 - (2) Must be credited upon the purchase price; or
- (d) Refunded to the purchaser.

2. A deposit or advance payment made for an additional item, improvement, optional item or alteration may be deposited in escrow or delivered directly to the declarant, as the parties may contract.

3. In lieu of placing a deposit in escrow pursuant to subsection 1, the declarant may furnish a bond executed by him as principal and by a corporation qualified under the laws of this State as surety, payable to the State of Nevada, and conditioned upon the performance of the declarant's duties concerning the purchase or reservation of a unit. Each bond must be in a principal sum equal to the amount of the deposit. The bond must be held until:

- (a) Delivered to the declarant at closing;
- (b) Delivered to the declarant because of the purchaser's default under a contract to purchase the unit; or
- (c) Released to the declarant for an additional item, improvement, optional item or alteration, but the amount so released must not exceed the amount due the declarant from the purchaser at the time of the release or the amount expended by the declarant for that purpose, whichever is less.

4. Pursuant to subsection 1, a deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to subsection 3 of NRS 116.4102 is deemed to be placed in escrow and held in this State when the escrow holder has:

- (a) The legal right to conduct business in this State;
- (b) A resident agent in this State pursuant to subsection 1 of NRS 14.020; and
- (c) Consented to the jurisdiction of the courts of this State by:
 - (1) Maintaining a physical presence in this State; or
 - (2) Executing a written instrument containing such consent, with respect to any suit or claim, whether brought by the declarant or purchaser, relating to or arising in connection with such sale or the escrow agreement related thereto.

Sec. 33. NRS 116.750 is hereby amended to read as follows:

116.750 1. In carrying out the provisions of NRS 116.745 to 116.795, inclusive, the Division and the Ombudsman have jurisdiction to investigate and the Commission and each hearing panel has jurisdiction to take appropriate action against any person who commits a violation, including, without limitation:

- (a) Any association and any officer, employee or agent of an association.

(b) Any member of an executive board.
 (c) Any community manager who holds a certificate and any other community manager.
 (d) Any person who ~~holds a permit to conduct a study of the reserves of an association issued~~ *is registered as a reserve study specialist, or who conducts a study of reserves*, pursuant to chapter 116A of NRS.

(e) Any declarant or affiliate of a declarant.
 (f) Any unit's owner.
 (g) Any tenant of a unit's owner if the tenant has entered into an agreement with the unit's owner to abide by the governing documents of the association and the provisions of this chapter and any regulations adopted pursuant thereto.

2. The jurisdiction set forth in subsection 1 applies to any officer, employee or agent of an association or any member of an executive board who commits a violation and who:

(a) Currently holds his office, employment, agency or position or who held his office, employment, agency or position at the commencement of proceedings against him.

(b) Resigns his office, employment, agency or position:

(1) After the commencement of proceedings against him; or

(2) Within 1 year after the violation is discovered or reasonably should have been discovered.

Sec. 34. NRS 116A.120 is hereby amended to read as follows:

116A.120 ~~["Permit"] "Registration" means [a permit] registration to conduct a study of the reserves of an association pursuant to NRS 116.31152 [issued by] with the Division pursuant to this chapter.~~

Sec. 35. NRS 116A.260 is hereby amended to read as follows:

116A.260 The Division shall maintain in each district office a public docket or other record in which it shall record, from time to time as made:

1. The rulings or decisions upon all complaints filed with that district office.

2. All investigations instituted by that district office in the first instance, upon or in connection with which any hearing has been held, or in which the person charged has made no defense.

3. Denials of applications made to that district office for examination , *registration* or issuance of a certificate . ~~[or permit.]~~

Sec. 36. NRS 116A.410 is hereby amended to read as follows:

116A.410 1. The Commission shall by regulation provide for the issuance by the Division of certificates. The regulations:

(a) Must establish the qualifications for the issuance of such a certificate, including, without limitation, the education and experience required to obtain such a certificate. *The regulations must include, without limitation, provisions that:*

(1) *Provide for the issuance of a temporary certificate for a 1-year period to a person who:*

(I) *Holds a professional designation in the field of management of a common-interest community from a nationally recognized organization;*

(II) *Provides evidence that the person has been engaged in the management of a common-interest community for at least 5 years; and*

(III) *Has not been the subject of any disciplinary action in another state in connection with the management of a common-interest community.*

(2) *Except as otherwise provided in subparagraph (3), provide for the issuance of a temporary certificate for a 1-year period to a person who:*

(I) *Receives an offer of employment as a community manager from an association; and*

(II) *Has management experience determined to be sufficient by the executive board of the association making the offer in sub-subparagraph (1). The executive board must have sole discretion to make the determination required in this sub-subparagraph.*

(3) *Require a temporary certificate described in subparagraph (2) to expire before the end of the 1-year period if the certificate holder ceases to be employed by the association which offered him employment as described in subparagraph (2).*

(4) Require a person who is issued a temporary certificate as described in subparagraph (1) or (2) to successfully complete not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act within the 1-year period.

(5) Provide for the issuance of a certificate at the conclusion of the 1-year period if the person:

(I) Has successfully completed not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act; and

(II) Has not been the subject of any disciplinary action pursuant to this chapter, chapter 116 of NRS or any regulations adopted pursuant thereto.

(6) Provide that a temporary certificate described in subparagraph (1) or (2), and a certificate described in subparagraph (5):

(I) Must authorize the person who is issued a temporary certificate described in subparagraph (1) or (2) or certificate described in subparagraph (5) to act in all respects as a community manager and exercise all powers available to any other community manager without regard to experience; and

(II) Must not be treated as a limited, restricted or provisional form of a certificate.

(b) Must require an applicant to post a bond in a form and in an amount established by regulation. The Commission shall, by regulation, adopt a sliding scale for the amount of the bond that is based upon the amount of money that applicants are expected to control. In adopting the regulations establishing the form and sliding scale for the amount of a bond required to be posted pursuant to this paragraph, the Commission shall consider the availability and cost of such bonds.

~~(c)~~ (c) May require applicants to pass an examination in order to obtain a certificate ~~that is other than a temporary certificate described in paragraph (a).~~ If the regulations require such an examination, the Commission shall by regulation establish fees to pay the costs of the examination, including any costs which are necessary for the administration of the examination.

~~(d)~~ (d) May require an investigation of an applicant's background. If the regulations require such an investigation, the Commission shall by regulation establish fees to pay the costs of the investigation.

~~(e)~~ (e) Must establish the grounds for initiating disciplinary action against a person to whom a certificate has been issued, including, without limitation, the grounds for placing conditions, limitations or restrictions on a certificate and for the suspension or revocation of a certificate.

~~(f)~~ (f) Must establish rules of practice and procedure for conducting disciplinary hearings.

2. The Division may collect a fee for the issuance of a certificate in an amount not to exceed the administrative costs of issuing the certificate.

3. As used in this section, "management experience" means experience in a position in business or government, including, without limitation, in the military:

(a) In which the person holding the position was required, as part of holding the position, to engage in one or more management activities, including, without limitation, supervision of personnel, development of budgets or financial plans, protection of assets, logistics, management of human resources, development or training of personnel, public relations, or protection or maintenance of facilities; and

(b) Without regard to whether the person holding the position has any experience managing or otherwise working for an association.

Sec. 37. NRS 116A.420 is hereby amended to read as follows:

116A.420 1. Except as otherwise provided in this section, a person shall not act as a reserve study specialist unless the person ~~holds a permit~~ registers with the Division on a form provided by the Division.

2. The Commission shall by regulation provide for the standards of practice for reserve study specialists. ~~who hold permits~~

3. The Division may investigate any reserve study specialist ~~who holds a permit~~ to ensure that the reserve study specialist is complying with the provisions of this chapter and chapter 116 of NRS and the standards of practice adopted by the Commission.

4. In addition to any other remedy or penalty, if the Commission or a hearing panel, after notice and hearing, finds that a reserve study specialist ~~who holds a permit~~ has violated any

provision of this chapter or chapter 116 of NRS or any of the standards of practice adopted by the Commission, the Commission or the hearing panel may take appropriate disciplinary action against the reserve study specialist.

5. In addition to any other remedy or penalty, the Commission may:

(a) Refuse to ~~issue a permit to~~ *accept the registration* of a person who has failed to pay money which the person owes to the Commission or the Division.

(b) Suspend, revoke or refuse to renew the ~~(permit)~~ *registration* of a person who has failed to pay money which the person owes to the Commission or the Division.

6. The provisions of this section do not apply to a member of an executive board or an officer of an association who is acting solely within the scope of his duties as a member of the executive board or an officer of the association.

7. *A person who assists a registered reserve study specialist in preparing a reserve study, signed by a registered reserve study specialist, is not required to register as a reserve study specialist.*

Sec. 38. NRS 116A.430 is hereby amended to read as follows:

116A.430 1. The Commission shall by regulation provide for the ~~(issuance)~~ *registration* by the Division of ~~(permits to)~~ reserve study specialists. The regulations:

(a) Must establish the qualifications for ~~(the issuance of such a permit)~~ *registration*, including, without limitation, the education and experience required ~~(to obtain such a permit)~~ *for registration*.

(b) May require applicants to pass an examination ~~(in order to obtain a permit)~~ *for registration*. If the regulations require such an examination, the Commission shall by regulation establish fees to pay the costs of the examination, including any costs which are necessary for the administration of the examination.

(c) May require an investigation of an applicant's background. If the regulations require such an investigation, the Commission shall by regulation establish fees to pay the costs of the investigation.

(d) Must establish the grounds for initiating disciplinary action against a person ~~(to whom a permit has been issued)~~ *who has registered*, including, without limitation, the grounds for placing conditions, limitations or restrictions on ~~(a permit)~~ *registration* and for the suspension or revocation of ~~(a permit)~~ *registration*.

(e) Must establish rules of practice and procedure for conducting disciplinary hearings.

2. The Division may collect a fee for ~~(the issuance of a permit)~~ *registration* in an amount not to exceed the administrative costs of ~~(issuing the permit)~~ *registration*.

Sec. 39. NRS 116A.440 is hereby amended to read as follows:

116A.440 1. An applicant for a certificate or ~~(permit)~~ *registration* shall submit to the Division:

(a) The social security number of the applicant; and

(b) The statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for *registration or the issuance of the certificate*; ~~(or permit)~~ or

(b) A separate form prescribed by the Division.

3. A certificate ~~(or permit)~~ may not be issued *and an application for registration may not be accepted* if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Division shall advise the applicant to

contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 40. NRS 116A.450 is hereby amended to read as follows:

116A.450 1. If the Division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a *person who is registered or* the holder of a certificate, ~~for permit,~~ the Division shall deem the *registration or* certificate ~~for permit~~ to be suspended at the end of the 30th day after the date the court order was issued unless the Division receives a letter issued to the *person who is registered or the* holder of the certificate ~~for permit~~ by the district attorney or other public agency pursuant to NRS 425.550 stating that the *person who is registered or the* holder of the certificate ~~for permit~~ has complied with a subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The Division shall reinstate a *registration or* certificate ~~for permit~~ that has been suspended by a district court pursuant to NRS 425.540 if the Division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the *person who is registered or the* holder of the certificate ~~for permit~~ that he has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 41. NRS 116A.460 is hereby amended to read as follows:

116A.460 The expiration or revocation of a *registration or* certificate ~~for permit~~ by operation of law or by order or decision of any agency or court of competent jurisdiction, or the voluntary surrender of such a *registration or* certificate ~~for permit~~ by the *person who is registered or the* holder of the certificate ~~for permit~~ does not:

1. Prohibit the Commission or the Division from initiating or continuing an investigation of, or action or disciplinary proceeding against, the *person who is registered or the* holder of the certificate ~~for permit~~ as authorized pursuant to the provisions of this chapter or chapter 116 of NRS or the regulations adopted pursuant thereto; or

2. Prevent the imposition or collection of any fine or penalty authorized pursuant to the provisions of this chapter or chapter 116 of NRS or the regulations adopted pursuant thereto against the *person who is registered or the* holder of the certificate ~~for permit~~.

Sec. 42. NRS 116A.900 is hereby amended to read as follows:

116A.900 1. In addition to any other remedy or penalty, the Commission may impose an administrative fine against any person who knowingly:

(a) Engages or offers to engage in any activity for which a *registration or* certificate ~~for permit~~ is required pursuant to this chapter or chapter 116 of NRS, or any regulation adopted pursuant thereto, if the person *has not registered or* does not hold the required certificate ~~for permit~~ or has not been given the required authorization; or

(b) Assists or offers to assist another person to commit a violation described in paragraph (a).

2. If the Commission imposes an administrative fine against a person pursuant to this section, the amount of the administrative fine may not exceed the amount of any gain or economic benefit that the person derived from the violation or \$5,000, whichever amount is greater.

3. In determining the appropriate amount of the administrative fine, the Commission shall consider:

(a) The severity of the violation and the degree of any harm that the violation caused to other persons;

(b) The nature and amount of any gain or economic benefit that the person derived from the violation;

(c) The person's history or record of other violations; and

(d) Any other facts or circumstances that the Commission deems to be relevant.

4. Before the Commission may impose the administrative fine, the Commission must provide the person with notice and an opportunity to be heard.

5. The person is entitled to judicial review of the decision of the Commission in the manner provided by chapter 233B of NRS.

6. The provisions of this section do not apply to a person who engages or offers to engage in activities within the purview of this chapter or chapter 116 of NRS if:

(a) A specific statute exempts the person from complying with the provisions of this chapter or chapter 116 of NRS with regard to those activities; and

(b) The person is acting in accordance with the exemption while engaging or offering to engage in those activities.

Sec. 43. NRS 278.0208 is hereby amended to read as follows:

278.0208 1. A governing body shall not adopt an ordinance, regulation or plan or take any other action that prohibits or unreasonably restricts the owner of real property from using a system for obtaining solar or wind energy on his property.

2. ~~Any~~ Except as otherwise provided in subsection 3, any covenant, restriction or condition contained in a deed, contract or other legal instrument which affects the transfer, sale or any other interest in real property that prohibits or unreasonably restricts the owner of the property from using a system for obtaining solar or wind energy on his property is void and unenforceable.

3. ~~The owner of the property has the burden of showing that a restriction or requirement on the use of such a system significantly decreases the efficiency or performance of the system.~~ A covenant, restriction or condition contained in the governing documents of a common-interest community or a policy established by a common-interest community specifying the color of such a system is enforceable so long as such a system is manufactured in such color and the specification was:

(a) In existence on July 1, 2007; or

(b) Contained in the governing documents in effect on the close of escrow of the first sale of a unit in the common-interest community.

4. For the purposes of this section ~~["unreasonably"]~~ :

(a) ~~["Significantly decreases the efficiency or performance of the system" means a decrease of 20 percent or more in the efficiency or performance of the system.]~~ "Common-interest community" has the meaning ascribed to it in NRS 116.021.

(b) "Governing documents" has the meaning ascribed to it in NRS 116.049.

(c) "Unit" has the meaning ascribed to it in NRS 116.093.

(d) "Unreasonably restricting the use of a system for obtaining solar or wind energy" means placing a restriction or requirement on the use of such a system which significantly decreases the efficiency or performance of the system and does not allow for the use of an alternative system at a comparable cost and with comparable efficiency and performance.

Sec. 44. ~~NRS 260.765 is hereby amended to read as follows:~~

~~260.765 1. Except as otherwise provided in subsection 2, "business" means:~~

(a) Any person, except a natural person, that performs a service or engages in a trade for profit; or

(b) Any natural person who performs a service or engages in a trade for profit if the person is required to file with the Internal Revenue Service a Schedule C (Form 1040), Profit or Loss From Business Form, or its equivalent or successor form, a Schedule E (Form 1040), Supplemental Income and Loss Form, or its equivalent or successor form, or a Schedule F (Form 1040), Profit or Loss From Farming Form, or its equivalent or successor form, for that activity.

~~2. The term does not include:~~

(a) A governmental entity.

(b) A nonprofit religious, charitable, fraternal or other organization that qualifies as a tax exempt organization pursuant to 26 U.S.C. § 501(c).

(c) A person who operates a business from his home and whose net earnings from that business are not more than 66 2/3 percent of the average annual wage, as computed for the preceding calendar year pursuant to chapter 612 of NRS and rounded to the nearest hundred dollars.

(d) A natural person whose sole business is the rental of four or fewer dwelling units to others.

(e) A business whose primary purpose is to create or produce motion pictures. As used in this paragraph, "motion pictures" has the meaning ascribed to it in NRS 221.020.

~~(f) A unit owners' association organized pursuant to NRS 116.3101 as a nonprofit corporation, trust or partnership. (Deleted by amendment.)~~

Sec. 45. (Deleted by amendment.)

Sec. 46. (Deleted by amendment.)

Sec. 47. (Deleted by amendment.)

Sec. 48. The amendatory provisions of section 10 of this act apply to all owners of property in a common-interest community that is exempt from taxation pursuant to NRS 361.125 who are not obligated to pay assessments as of January 1, 2007.

Sec. 49. 1. This section becomes effective upon passage and approval.

2. Section 36 of this act becomes effective:

(a) Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2008, for all other purposes.

3. ~~[This]~~ Section 32 of this act becomes effective on July 1, 2007.

4. Sections 1 to 6.3, inclusive, 7 to 20.3, inclusive, 21 to 35, inclusive, and 37 to 48, inclusive, of this act ~~(becomes)~~ become effective on October 1, 2007.

~~[2, 5.]~~ Sections 6.7 and 20.7 of this act become effective on October 1, 2009.

6. Sections 39 and 40 of this act expire 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.

WARREN B. HARDY II

MICHAEL A. SCHNEIDER

JOSEPH J. HECK

Senate Conference Committee

WILLIAM HORNE

FRANCIS ALLEN

DAVID R. PARKS

Assembly Conference Committee

Senator Hardy moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 396.

Remarks by Senators Hardy, Schneider, Care and Titus.

Senator Hardy requested that his remarks be entered in the Journal.

Section 36 of Assembly Bill No. 396 provides that the Commission on Common-Interest Communities must require an applicant for the issuance of a certificate for the management of a common-interest community to post a bond in a form and in an amount established by regulation. Section 36 also provides that in adopting its regulations establishing the amount of any bond, the Commission is to use a sliding scale based on the amount of money that the applicant controls. Furthermore, in adopting these regulations, the Commission is also mandated to consider the availability and cost of such bonds.

One issue that requires clarification and a clear statement of our legislative intent with respect to this provision regarding bonds is the situation involving large management companies who employ many managers and handle large amounts of money. During the discussions on this provision, the members of this body and of the Assembly understood and agreed that the bonding provision is not intended and should not be interpreted to require that every manager in a large company post a bond. Such a requirement would be cost-prohibitive and, in some cases, financially impossible. The clear intent of this provision is to protect residents from unscrupulous managers who would take advantage of their positions. The members of this body and of the Assembly who discussed this matter understand that the Legislature will have an opportunity to review the regulations adopted by the Commission and ensure that they meet the legislative intent, but we feel that it is important and helpful to provide guidance on the legislative record as to our intent with respect to this provision.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 497, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 928 of the Senate be concurred in.

It has agreed to recommend that the Amendment No. 943 of the Senate be receded from.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 44, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Makes various changes to provisions governing ~~driver's licenses and public safety~~ transportation. (BDR 43-642)"

"AN ACT relating to ~~public safety~~ transportation; revising provisions relating to services provided for the control of vehicular traffic related to a special event; requiring proof of insurance to be contained in an application for the registration of a motor vehicle; transferring certain duties for training peace officers from the Department of Motor Vehicles to the Department of Public Safety; revising provisions governing the revocation of driver's licenses; prohibiting a person who has a temporary driver's license from obtaining another temporary license in certain circumstances; revising provisions governing the issuance of motor vehicle insurance; revising provisions relating to the security that must be deposited when a report of certain motor vehicle accidents involving injury, death or damage to property is received by the Department of Motor Vehicles; requiring certain employees of the Nevada Transportation Authority to receive certain training; changing the name of the "Transportation Services Authority" to the "Nevada Transportation Authority"; requiring the Authority to appoint a Deputy Commissioner; providing the qualifications and duties of the Deputy Commissioner; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides that the Nevada Highway Patrol may enter into a contract with any person to provide services for the control of vehicular traffic related to a special event. (NRS 480.340) Section 1 of this bill provides that any qualified personnel of the Department of Public Safety, as well as the Nevada Highway Patrol, may provide services for the control of vehicular traffic pursuant to the contract.

Section 1.3 of this bill requires an application for the registration of a motor vehicle to contain proof satisfactory to the Department of Motor Vehicles that the applicant ~~has provided the insurance required by law~~ carries insurance on the vehicle, in lieu of signing a declaration indicating that he has provided the insurance. (NRS 482.215, 485.185)

Section 1.7 of this bill transfers the duty of training peace officers in identifying and handling drivers who suffer from a diabetic condition or epileptic seizures from the Department of Motor Vehicles to the Department of Public Safety. (NRS 483.348)

Existing law requires the Department of Motor Vehicles to revoke the driver's license of a person who is convicted of certain felonies involving the use of a vehicle. Existing law further requires the Department to set aside the revocation during any period of imprisonment until the period of imprisonment is completed or until the person has been placed on residential confinement. (NRS 483.460) Sections 2, 11 and 12 of this bill provide instead that the revocation will resume when the Department is notified by the Department of Corrections or the Department of Public Safety that the person has completed his period of imprisonment or has been placed on residential confinement or parole.

Existing law requires a law enforcement officer to revoke the driver's license, permit or privilege to drive of a person who has a concentration of alcohol of 0.08 or more in his blood or breath or who is found to have a detectable amount of a prohibited substance in his blood or urine. The officer is required to advise the person of his right to administrative and judicial review of the revocation and to have a temporary license, valid for 7 days, which the officer must issue upon request. (NRS 484.385) In addition, if the person requests administrative review of the revocation, the Department of Motor Vehicles is required to issue an additional temporary license which is valid for a period sufficient to complete the administrative review. (NRS 484.387) Sections 3-6 of this bill provide that a person driving with a temporary permit is not entitled to receive an additional temporary permit if he is found again to have driven with a

prohibited amount of alcohol in his blood or breath or a prohibited substance in his blood or urine.

Existing law requires each owner of a motor vehicle to maintain a certain amount of insurance against bodily injury or death. (NRS 485.185) Section 7 of this bill requires that such insurance must be obtained from a company that is licensed and has been approved to do business in this State.

Existing law requires the Department of Motor Vehicles to suspend the driver's license or privilege to drive and the motor vehicle registrations of each owner of a motor vehicle involved in a motor vehicle accident involving injury or death when it is determined that the required security has not been deposited and the person has not been released from liability and has not executed an agreement to pay in installments. Existing law requires notice of the suspension to be sent to the person at least 10 days before the effective date of the suspension. (NRS 485.190) Section 8 of this bill requires the suspension to be effective immediately after the determination is made unless the person immediately deposits the security at the hearing.

Under existing law, the Transportation Services Authority regulates fully regulated carriers, operators of tow cars and brokers of regulated services as provided for in chapter 706 of NRS. (NRS 706.151) Sections 13 and 23-25 of this bill change the name of the Transportation Services Authority to the Nevada Transportation Authority.

Section 19 of this bill requires the Authority to adopt regulations specifying the training which its compliance enforcement officers must receive.

Existing law allows the Authority to appoint a Deputy and employ other persons as needed. (NRS 706.176) Section 27 of this bill requires the Authority to appoint a Deputy Commissioner and sets forth the qualifications and duties for the position. Section 27 also requires the Authority to employ compliance enforcement officers and sets forth the duties for those positions.

Existing law provides that an employee designated as an inspector or as Manager of Transportation by the Authority is a peace officer and has police powers. (NRS 289.320) Section 14 of this bill amends this provision to apply only to inspectors.

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

Section 1. NRS 480.340 is hereby amended to read as follows:

480.340 1. Except as otherwise provided in this section, the Chief of the Nevada Highway Patrol may enter into a contract with any person or governmental agency to provide services for the control of vehicular traffic related to or affected by any special event sponsored by the person or agency.

2. Any such contract:

(a) Must require the sponsor of the special event to reimburse the Nevada Highway Patrol for the cost of the services provided.

(b) May require the sponsor to furnish a bond to ensure that reimbursement is made.

(c) Is subject to the following limitations:

(1) The services provided pursuant to the contract must be provided by personnel of the Nevada Highway Patrol ~~or~~ *or other qualified personnel of the Department.*

(2) The services required must not impair the ability of the Nevada Highway Patrol to perform its customary duties.

3. Any money received by the Nevada Highway Patrol pursuant to such a contract must be deposited with the State Treasurer for credit to the State Highway Fund.

4. As used in this section, "special event" has the meaning ascribed to it in NRS 484.900.

Sec. 1.3. NRS 482.215 is hereby amended to read as follows:

482.215 1. All applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Except as otherwise provided in NRS 482.294, applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the Department or to a registered dealer.

3. Each application must be made upon the appropriate form furnished by the Department and contain:

(a) The signature of the owner, except as otherwise provided in subsection 2 of NRS 482.294, if applicable.

(b) His residential address.

(c) His declaration of the county where he intends the vehicle to be based, unless the vehicle is deemed to have no base. The Department shall use this declaration to determine the county to which the governmental services tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and the last license number, if known, and the state in which it was issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this State for the make to be registered to the person first purchasing or operating the vehicle.

(e) Except as otherwise provided in this paragraph, if the applicant is not an owner of a fleet of vehicles or a person described in subsection 5, ~~proof~~ :

(1) Proof satisfactory to the Department or registered dealer that the applicant ~~has provided the~~ carries insurance ~~required by NRS 485.185 and a~~ on the vehicle, and if the insurance is not provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185, the applicant must meet the requirements of NRS 485.185 within 7 calendar days; and

(2) A declaration signed by the applicant that he ~~has provided the insurance required by NRS 485.185 and~~ will maintain the insurance required by NRS 485.185 during the period of registration. If the application is submitted by electronic means pursuant to NRS 482.294, the applicant is not required to sign the declaration required by this paragraph.

(f) If the applicant is an owner of a fleet of vehicles or a person described in subsection 5, evidence of insurance:

(1) In the form of a certificate of insurance on a form approved by the Commissioner of Insurance;

(2) In the form of a card issued pursuant to NRS 690B.023 which identifies the vehicle and indicates, at the time of application for registration, coverage which meets the requirements of NRS 485.185; or

(3) In another form satisfactory to the Department.

↪ The Department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

4. The application must contain such other information as is required by the Department or registered dealer and must be accompanied by proof of ownership satisfactory to the Department.

5. For purposes of the evidence required by paragraph (f) of subsection 3:

(a) Vehicles which are subject to the fee for a license and the requirements of registration of the Interstate Highway User Fee Apportionment Act, and which are based in this State, may be declared as a fleet by the registered owner thereof on his original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance covering that fleet.

(b) Other fleets composed of 10 or more vehicles based in this State or vehicles insured under a blanket policy which does not identify individual vehicles may each be declared annually as a fleet by the registered owner thereof for the purposes of an application for his original or any renewed registration. The owner may file a single certificate of insurance covering that fleet.

(c) A person who qualifies as a self-insurer pursuant to the provisions of NRS 485.380 may file a copy of his certificate of self-insurance.

(d) A person who qualifies for an operator's policy of liability insurance pursuant to the provisions of NRS 485.186 and 485.3091 may file evidence of that insurance.

Sec. 1.7. NRS 483.348 is hereby amended to read as follows:

483.348 1. Except as otherwise provided in subsection 2, the Department shall issue a driver's license with a specially colored background to any person who qualifies for a driver's license pursuant to the provisions of this chapter and delivers to the Department a signed statement from a physician that the person is an insulin dependent diabetic or an epileptic. The

Department shall designate one color to be used only for a driver's license held by a diabetic and another color to be used only for a driver's license held by an epileptic.

2. In lieu of issuing a driver's license pursuant to subsection 1, the Department may issue to a person specified in that subsection a driver's license with a specially colored border around the photograph on the license.

3. The Department of *Public Safety* shall provide for the education of peace officers on the:

(a) Effects and treatment of a person suffering from ~~[insulin shock]~~ *a diabetic condition* or an epileptic seizure and the similarity in appearance of a person suffering from ~~[insulin shock]~~ *a diabetic condition* or an epileptic seizure to a person under the influence of alcohol or a controlled substance; and

(b) Procedures for identifying and handling situations involving a person suffering from ~~[insulin shock]~~ *a diabetic condition* or an epileptic seizure.

Sec. 2. NRS 483.460 is hereby amended to read as follows:

483.460 1. Except as otherwise provided by specific statute, the Department shall revoke the license, permit or privilege of any driver upon receiving a record of his conviction of any of the following offenses, when that conviction has become final, and the driver is not eligible for a license, permit or privilege to drive for the period indicated:

(a) For a period of 3 years if the offense is:

(1) A violation of subsection 2 of NRS 484.377.

(2) A violation of NRS 484.379 that is punishable as a felony pursuant to NRS 484.3792.

(3) A violation of NRS 484.3795 or a homicide resulting from driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance or resulting from any other conduct prohibited by NRS 484.379, 484.3795 or 484.37955.

➤ The period during which such a driver is not eligible for a license, permit or privilege to drive must be set aside during any period of imprisonment and the period of revocation must resume ~~[upon completion of]~~ *when the Department is notified pursuant to section 11 or 12 of this act that the person has completed the period of imprisonment or [when] that the person [is] has been placed on residential confinement [or parole].*

(b) For a period of 1 year if the offense is:

(1) Any other manslaughter, including vehicular manslaughter as described in NRS 484.3775, resulting from the driving of a motor vehicle or felony in the commission of which a motor vehicle is used, including the unlawful taking of a motor vehicle.

(2) Failure to stop and render aid as required pursuant to the laws of this State in the event of a motor vehicle accident resulting in the death or bodily injury of another.

(3) Perjury or the making of a false affidavit or statement under oath to the Department pursuant to NRS 483.010 to 483.630, inclusive, or pursuant to any other law relating to the ownership or driving of motor vehicles.

(4) Conviction, or forfeiture of bail not vacated, upon three charges of reckless driving committed within a period of 12 months.

(5) A violation of NRS 484.379 that is punishable pursuant to paragraph (b) of subsection 1 of NRS 484.3792 and the driver is not eligible for a restricted license during any of that period.

(6) A violation of NRS 484.348.

(c) For a period of 90 days, if the offense is a violation of NRS 484.379 that is punishable pursuant to paragraph (a) of subsection 1 of NRS 484.3792.

2. The Department shall revoke the license, permit or privilege of a driver convicted of violating NRS 484.379 who fails to complete the educational course on the use of alcohol and controlled substances within the time ordered by the court and shall add a period of 90 days during which the driver is not eligible for a license, permit or privilege to drive.

3. When the Department is notified by a court that a person who has been convicted of a violation of NRS 484.379 that is punishable pursuant to paragraph (a) of subsection 1 of NRS 484.3792 has been permitted to enter a program of treatment pursuant to NRS 484.37937, the Department shall reduce by one-half the period during which he is not eligible for a license, permit or privilege to drive, but shall restore that reduction in time if notified that he was not accepted for or failed to complete the treatment.

4. The Department shall revoke the license, permit or privilege to drive of a person who is required to install a device pursuant to NRS 484.3943 but who operates a motor vehicle without such a device:

(a) For 3 years, if it is his first such offense during the period of required use of the device.

(b) For 5 years, if it is his second such offense during the period of required use of the device.

5. A driver whose license, permit or privilege is revoked pursuant to subsection 4 is not eligible for a restricted license during the period set forth in paragraph (a) or (b) of that subsection, whichever applies.

6. In addition to any other requirements set forth by specific statute, if the Department is notified that a court has ordered the revocation, suspension or delay in the issuance of a license pursuant to title 5 of NRS, NRS 176.064 or 206.330, chapter 484 of NRS or any other provision of law, the Department shall take such actions as are necessary to carry out the court's order.

7. As used in this section, "device" has the meaning ascribed to it in NRS 484.3941.

Sec. 3. NRS 484.385 is hereby amended to read as follows:

484.385 1. As agent for the Department, the officer who obtained the result of a test given pursuant to NRS 484.382 or 484.383 shall immediately serve an order of revocation of the license, permit or privilege to drive on a person who has a concentration of alcohol of 0.08 or more in his blood or breath or has a detectable amount of a prohibited substance in his blood or urine, if that person is present, and shall seize his license or permit to drive. The officer shall then advise him of his right to administrative and judicial review of the revocation ~~and to have a right to request a temporary license pursuant to NRS 484.387 and, except as otherwise provided in this subsection, that he has a right to request a temporary license.~~ ~~and~~ *If the person currently is driving with a temporary license that was issued pursuant to this section or NRS 484.387, he is not entitled to request an additional temporary license pursuant to this section or NRS 484.387, and the order of revocation issued by the officer must revoke the temporary license that was previously issued. If the person is entitled to request a temporary license, the officer shall issue him a temporary license on a form approved by the Department if he requests one, which is effective for only 7 days including the date of issuance. The officer shall immediately transmit the person's license or permit to the Department along with the written certificate required by subsection 2.*

2. When a police officer has served an order of revocation of a driver's license, permit or privilege on a person pursuant to subsection 1, or later receives the result of an evidentiary test which indicates that a person, not then present, had a concentration of alcohol of 0.08 or more in his blood or breath or had a detectable amount of a prohibited substance in his blood or urine, the officer shall immediately prepare and transmit to the Department, together with the seized license or permit and a copy of the result of the test, a written certificate that he had reasonable grounds to believe that the person had been driving or in actual physical control of a vehicle with a concentration of alcohol of 0.08 or more in his blood or breath or with a detectable amount of a prohibited substance in his blood or urine, as determined by a chemical test. The certificate must also indicate whether the officer served an order of revocation on the person and whether he issued the person a temporary license.

3. The Department, upon receipt of such a certificate for which an order of revocation has not been served, after examining the certificate and copy of the result of the chemical test, if any, and finding that revocation is proper, shall issue an order revoking the person's license, permit or privilege to drive by mailing the order to the person at his last known address. The order must indicate the grounds for the revocation and the period during which the person is not eligible for a license, permit or privilege to drive and state that the person has a right to administrative and judicial review of the revocation and to have a temporary license. The order of revocation becomes effective 5 days after mailing.

4. Notice of an order of revocation and notice of the affirmation of a prior order of revocation or the cancellation of a temporary license provided in NRS 484.387 is sufficient if it is mailed to the person's last known address as shown by any application for a license. The date of mailing may be proved by the certificate of any officer or employee of the Department, specifying the time of mailing the notice. The notice is presumed to have been received upon the expiration of 5 days after it is deposited, postage prepaid, in the United States mail.

Sec. 4. NRS 484.385 is hereby amended to read as follows:

484.385 1. As agent for the Department, the officer who obtained the result of a test given pursuant to NRS 484.382 or 484.383 shall immediately serve an order of revocation of the license, permit or privilege to drive on a person who has a concentration of alcohol of 0.10 or more in his blood or breath or has a detectable amount of a prohibited substance in his blood or urine, if that person is present, and shall seize his license or permit to drive. The officer shall then advise him of his right to administrative and judicial review of the revocation ~~and to have a~~ ~~at~~ ~~pursuant to NRS 484.387 and, except as otherwise provided in this subsection, that he has a right to request a temporary license .~~ ~~[and]~~ ~~If the person currently is driving with a temporary license that was issued pursuant to this section or NRS 484.387, he is not entitled to request an additional temporary license pursuant to this section or NRS 484.387, and the order of revocation issued by the officer must revoke the temporary license that was previously issued. If the person is entitled to request a temporary license, the officer shall issue him a temporary license on a form approved by the Department if he requests one, which is effective for only 7 days including the date of issuance. The officer shall immediately transmit the person's license or permit to the Department along with the written certificate required by subsection 2.~~

2. When a police officer has served an order of revocation of a driver's license, permit or privilege on a person pursuant to subsection 1, or later receives the result of an evidentiary test which indicates that a person, not then present, had a concentration of alcohol of 0.10 or more in his blood or breath or had a detectable amount of a prohibited substance in his blood or urine, the officer shall immediately prepare and transmit to the Department, together with the seized license or permit and a copy of the result of the test, a written certificate that he had reasonable grounds to believe that the person had been driving or in actual physical control of a vehicle with a concentration of alcohol of 0.10 or more in his blood or breath or with a detectable amount of a prohibited substance in his blood or urine, as determined by a chemical test. The certificate must also indicate whether the officer served an order of revocation on the person and whether he issued the person a temporary license.

3. The Department, upon receipt of such a certificate for which an order of revocation has not been served, after examining the certificate and copy of the result of the chemical test, if any, and finding that revocation is proper, shall issue an order revoking the person's license, permit or privilege to drive by mailing the order to the person at his last known address. The order must indicate the grounds for the revocation and the period during which the person is not eligible for a license, permit or privilege to drive and state that the person has a right to administrative and judicial review of the revocation and to have a temporary license. The order of revocation becomes effective 5 days after mailing.

4. Notice of an order of revocation and notice of the affirmation of a prior order of revocation or the cancellation of a temporary license provided in NRS 484.387 is sufficient if it is mailed to the person's last known address as shown by any application for a license. The date of mailing may be proved by the certificate of any officer or employee of the Department, specifying the time of mailing the notice. The notice is presumed to have been received upon the expiration of 5 days after it is deposited, postage prepaid, in the United States mail.

Sec. 5. NRS 484.387 is hereby amended to read as follows:

484.387 1. At any time while a person is not eligible for a license, permit or privilege to drive following an order of revocation issued pursuant to NRS 484.385, he may request in writing a hearing by the Department to review the order of revocation, but he is only entitled to one hearing. The hearing must be conducted within 15 days after receipt of the request, or as soon thereafter as is practicable, in the county where the requester resides unless the parties agree otherwise. The Director or his agent may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a reexamination of the requester. ~~[The]~~ ~~Unless the person is ineligible for a temporary license pursuant to NRS 484.385, the Department shall issue an additional temporary license for a period which is sufficient to complete the administrative review.~~

2. The scope of the hearing must be limited to the issue of whether the person, at the time of the test, had a concentration of alcohol of 0.08 or more in his blood or breath or a detectable amount of a prohibited substance in his blood or urine. Upon an affirmative finding on this issue, the Department shall affirm the order of revocation. Otherwise, the order of revocation must be rescinded.

3. If, after the hearing, the order of revocation is affirmed, the person whose license, privilege or permit has been revoked is entitled to a review of the same issues in district court in the same manner as provided by chapter 233B of NRS. The court shall notify the Department upon the issuance of a stay, and the Department shall issue an additional temporary license for a period which is sufficient to complete the review.

4. If a hearing officer grants a continuance of a hearing at the request of the person whose license was revoked, or a court does so after issuing a stay of the revocation, the officer or court shall notify the Department, and the Department shall cancel the temporary license and notify the holder by mailing the order of cancellation to his last known address.

Sec. 6. NRS 484.387 is hereby amended to read as follows:

484.387 1. At any time while a person is not eligible for a license, permit or privilege to drive following an order of revocation issued pursuant to NRS 484.385, he may request in writing a hearing by the Department to review the order of revocation, but he is only entitled to one hearing. The hearing must be conducted within 15 days after receipt of the request, or as soon thereafter as is practicable, in the county where the requester resides unless the parties agree otherwise. The Director or his agent may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a reexamination of the requester. ~~He~~ *Unless the person is ineligible for a temporary license pursuant to NRS 484.385, the* Department shall issue an additional temporary license for a period which is sufficient to complete the administrative review.

2. The scope of the hearing must be limited to the issue of whether the person, at the time of the test, had a concentration of alcohol of 0.10 or more in his blood or breath or a detectable amount of a prohibited substance in his blood or urine. Upon an affirmative finding on this issue, the Department shall affirm the order of revocation. Otherwise, the order of revocation must be rescinded.

3. If, after the hearing, the order of revocation is affirmed, the person whose license, privilege or permit has been revoked is entitled to a review of the same issues in district court in the same manner as provided by chapter 233B of NRS. The court shall notify the Department upon the issuance of a stay, and the Department shall issue an additional temporary license for a period which is sufficient to complete the review.

4. If a hearing officer grants a continuance of a hearing at the request of the person whose license was revoked, or a court does so after issuing a stay of the revocation, the officer or court shall notify the Department, and the Department shall cancel the temporary license and notify the holder by mailing the order of cancellation to his last known address.

Sec. 7. NRS 485.185 is hereby amended to read as follows:

485.185 Every owner of a motor vehicle which is registered or required to be registered in this State shall continuously provide, while the motor vehicle is present or registered in this State, insurance ~~to~~ *provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State:*

1. In the amount of \$15,000 for bodily injury to or death of one person in any one accident;
2. Subject to the limit for one person, in the amount of \$30,000 for bodily injury to or death of two or more persons in any one accident; and
3. In the amount of \$10,000 for injury to or destruction of property of others in any one accident,

➤ for the payment of tort liabilities arising from the maintenance or use of the motor vehicle.

Sec. 8. NRS 485.190 is hereby amended to read as follows:

485.190 1. If 20 days after the receipt of a report of an accident involving a motor vehicle within this State which has resulted in bodily injury or death, or damage to the property of any one person in excess of \$750, the Department does not have on file evidence satisfactory to it that the person who would otherwise be required to file security under subsection 2 ~~of this section~~ has been released from liability, has been finally adjudicated not to be liable or has executed an acknowledged written agreement providing for the payment of an agreed amount in installments with respect to all claims for injuries or damages resulting from the accident, the Department shall upon request set the matter for a hearing as provided in NRS 485.191.

2. The Department shall ~~at any time~~, *immediately* after a determination adverse to an operator or owner *is made in a hearing* pursuant to NRS 485.191, suspend the license of each

operator and all registrations of each owner of a motor vehicle involved in such an accident, and, if the operator is a nonresident, the privilege of operating a motor vehicle within this State, and, if the owner is a nonresident, the privilege of the use within this State of any motor vehicle owned by him, unless the operator or owner, or both, *immediately* deposit security in the sum so determined by the Department ~~[Notice of such a suspension must be sent by the Department to the operator and owner not less than 10 days before the effective date of the suspension and must state the amount required as security.]~~ *at the hearing.* If erroneous information is given to the Department with respect to the matters set forth in paragraph (a), (b) or (c) of subsection 1 of NRS 485.200, the Department shall take appropriate action as provided in this section after it receives correct information with respect to those matters.

Sec. 9. NRS 485.301 is hereby amended to read as follows:

485.301 1. Whenever any person fails within 60 days to satisfy any judgment ~~that was entered as a result of an accident involving a motor vehicle,~~ the judgment creditor or his attorney may forward to the Department immediately after the expiration of the 60 days a certified copy of the judgment.

2. If the defendant named in any certified copy of a judgment *that was entered as a result of an accident involving a motor vehicle* and reported to the Department is a nonresident, the Department shall transmit a certified copy of the judgment to the officer in charge of the issuance of licenses and registration certificates of the state in which the defendant is a resident.

Sec. 10. NRS 485.3099 is hereby amended to read as follows:

485.3099 1. The Department shall, upon request, consent to the immediate cancellation of any certificate of financial responsibility or waive the requirement of filing proof of financial responsibility, in ~~any of~~ the following events:

(a) ~~[At any time after 3 years after the date the proof of financial responsibility was required when, during the 3-year period preceding the request, the Department has not received a record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the license, registration or nonresident's operating privilege of the person by or for whom the proof of financial responsibility was furnished;~~

~~(b)]~~ The death of the person on whose behalf the proof of financial responsibility was filed or the permanent incapacity of the person to operate a motor vehicle; or

~~((c))~~ (b) If the person who is required to file proof of financial responsibility surrenders his license and registration to the Department.

2. If a person who surrenders his license and registration pursuant to paragraph ~~((c))~~ (b) of subsection 1 applies for a license or registration within a period of 3 years after the date proof of financial responsibility was originally required, the application must be refused unless the applicant reestablishes proof of financial responsibility for the remainder of the 3-year period.

Sec. 11. Chapter 209 of NRS is hereby amended by adding thereto a new section to read as follows:

The Director shall notify the Department of Motor Vehicles when a driver who has had his license, permit or privilege to drive revoked pursuant to NRS 483.460 has completed a period of imprisonment or is placed on residential confinement. The notification process must conform to the guidelines provided in regulation by the Department of Motor Vehicles pursuant to NRS 483.460. The period during which such a driver is not eligible for a license, permit or privilege to drive must be set aside during any period of imprisonment or when the person is placed on residential confinement.

Sec. 12. Chapter 213 of NRS is hereby amended by adding thereto a new section to read as follows:

The Chief shall notify the Department of Motor Vehicles when a driver who has had his license, permit or privilege to drive revoked pursuant to NRS 483.460 is placed on parole. The notification process must conform to the guidelines provided in regulation by the Department of Motor Vehicles pursuant to NRS 483.460. The period during which such a driver is not eligible for a license, permit or privilege to drive must be set aside during any period of imprisonment or when the person is placed on residential confinement.

Sec. 13. NRS 232.510 is hereby amended to read as follows:

232.510 1. The Department of Business and Industry is hereby created.

2. The Department consists of a Director and the following:

(a) Consumer Affairs Division.
 (b) Division of Financial Institutions.
 (c) Housing Division.
 (d) Manufactured Housing Division.
 (e) Real Estate Division.
 (f) Division of Insurance.
 (g) Division of Industrial Relations.
 (h) Office of Labor Commissioner.
 (i) Taxicab Authority.
 (j) Nevada Athletic Commission.
 (k) Office of the Nevada Attorney for Injured Workers.
 (l) Nevada Transportation ~~(Services)~~ Authority.
 (m) Division of Mortgage Lending.
 (n) Any other office, commission, board, agency or entity created or placed within the Department pursuant to a specific statute, the budget approved by the Legislature or an executive order, or an entity whose budget or activities have been placed within the control of the Department by a specific statute.

Sec. 14. NRS 289.320 is hereby amended to read as follows:

289.320 An employee of the Nevada Transportation ~~(Services)~~ Authority whom it designates as an inspector ~~(or as Manager of Transportation)~~ is a peace officer and has police power for the enforcement of the provisions of:

1. Chapters 706 and 712 of NRS and all regulations of the Nevada Transportation ~~(Services)~~ Authority or the Department of Motor Vehicles pertaining thereto; and
2. Chapter 482 of NRS and NRS 483.230, 483.350 and 483.530 to 483.620, inclusive, for the purposes of carrying out the provisions of chapter 706 of NRS.

Sec. 15. Chapter 706 of NRS is hereby amended by adding thereto the provisions set forth as sections 16 to 19, inclusive, of this act.

Sec. 16. "Chairman" means the person designated as Chairman of the Authority by the Governor pursuant to NRS 706.1512.

Sec. 17. "Compliance enforcement officer" means a person employed pursuant to NRS 706.176 whose duties include enforcing certain state statutes and regulations pertaining to motor carriers.

Sec. 18. "Deputy Commissioner" means the person appointed as Deputy Commissioner of the Authority pursuant to NRS 706.176.

Sec. 19. The Authority shall adopt regulations setting forth the training which a compliance enforcement officer employed by the Authority pursuant to NRS 706.176 must complete, including, without limitation, training in commercial vehicle safety inspections provided by the Nevada Highway Patrol.

Sec. 20. NRS 706.011 is hereby amended to read as follows:

706.011 As used in NRS 706.011 to 706.791, inclusive, and sections 16 to 19, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 706.013 to 706.146, inclusive, and sections 16, 17 and 18 of this act have the meanings ascribed to them in those sections.

Sec. 21. NRS 706.018 is hereby amended to read as follows:

706.018 "Authority" means the Nevada Transportation ~~(Services)~~ Authority created pursuant to NRS 706.1511.

Sec. 22. NRS 706.151 is hereby amended to read as follows:

706.151 1. It is hereby declared to be the purpose and policy of the Legislature in enacting this chapter:

(a) Except to the extent otherwise provided in NRS 706.881 to 706.885, inclusive, and sections 16 to 19, inclusive, of this act, to confer upon the Authority the power and to make it the duty of the Authority to regulate fully regulated carriers, operators of tow cars and brokers of regulated services to the extent provided in this chapter and to confer upon the Department of Motor Vehicles the power to license all motor carriers and to make it the duty of the Department of Motor Vehicles and the Department of Public Safety to enforce the provisions of this chapter and the regulations adopted by the Authority pursuant to it, to relieve the undue burdens on the

highways arising by reason of the use of the highways by vehicles in a gainful occupation thereon.

(b) To provide for reasonable compensation for the use of the highways in gainful occupations, and enable the State of Nevada, by using license fees, to provide for the proper construction, maintenance and repair thereof, and thereby protect the safety and welfare of the traveling and shipping public in their use of the highways.

(c) To provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.

(d) To encourage the establishment and maintenance of reasonable charges for:

(1) Intrastate transportation by fully regulated carriers; and

(2) Towing services performed without the prior consent of the owner of the vehicle or the person authorized by the owner to operate the vehicle,

↪ without unjust discriminations against or undue preferences or advantages being given to any motor carrier or applicant for a certificate of public convenience and necessity.

(e) To discourage any practices which would tend to increase or create competition that may be detrimental to the traveling and shipping public or the motor carrier business within this State.

2. All of the provisions of this chapter must be administered and enforced with a view to carrying out the declaration of policy contained in this section.

Sec. 23. NRS 706.1511 is hereby amended to read as follows:

706.1511 1. The Nevada Transportation ~~(Services)~~ Authority is hereby created.

2. The Authority consists of three members appointed by the Governor. After the initial term each member shall serve a term of 4 years.

3. The Governor shall appoint to the Authority members who have at least 2 years of experience in one or more of the following fields:

(a) Accounting.

(b) Business administration.

(c) Economics.

(d) Administrative law.

(e) Transportation.

(f) Professional engineering.

↪ At least one but not more than two of the members appointed must be residents of Clark County.

4. Not more than two of the members may be:

(a) Members of the same political party.

(b) From the same field of experience.

5. All of the members must be persons who are independent of the industries regulated by the Authority. No elected officer of this State or any political subdivision is eligible for appointment.

6. The members of the Authority shall give their entire time to the business of the Authority and shall not pursue any other business or vocation or hold any other office of profit.

7. Each member of the Authority serves at the pleasure of the Governor.

Sec. 24. NRS 706.1513 is hereby amended to read as follows:

706.1513 The Authority may sue and be sued in the name of the Nevada Transportation ~~(Services)~~ Authority.

Sec. 25. NRS 706.1516 is hereby amended to read as follows:

706.1516 1. The Nevada Transportation ~~(Services)~~ Authority Regulatory Fund is hereby created as a special revenue fund. All money collected by the Authority pursuant to law must be deposited in the State Treasury for credit to the Fund.

2. Money in the Fund may be used only to defray the costs of:

(a) Maintaining staff and equipment needed to regulate adequately persons subject to the jurisdiction of the Authority.

(b) Participating in all proceedings relevant to the jurisdiction of the Authority.

(c) Audits, inspections, investigations, publication of notices, reports and retaining consultants connected with that maintenance and participation.

(d) The salaries, travel expenses and subsistence allowances of the members of the Authority.

3. All claims against the Fund must be paid as other claims against the State are paid.

4. The Authority must furnish upon request a statement showing the balance remaining in the Fund as of the close of the preceding fiscal year.

Sec. 26. NRS 706.1715 is hereby amended to read as follows:

706.1715 1. The Attorney General shall:

(a) Act as counsel and attorney for the Authority in all actions, proceedings and hearings.
(b) Prosecute in the name of the Nevada Transportation [Services] Authority all civil actions for the enforcement of this chapter and for the recovery of any penalty or forfeiture provided for therein.

(c) Generally aid the Authority in the performance of its duties and the enforcement of this chapter.

2. The Attorney General or any district attorney may prosecute any violation of this chapter or chapter 712 of NRS for which a criminal penalty is provided.

Sec. 27. NRS 706.176 is hereby amended to read as follows:

706.176 1. The Authority ~~may~~:

~~1. Appoint a Deputy who serves in the unclassified service of the State.~~

~~2. Employ] shall appoint a Deputy Commissioner who:~~

(a) Must be knowledgeable and experienced in public administration and fiscal management;

(b) Must be knowledgeable in the areas of motor carrier regulation by the Authority; and

(c) Must be independent of and have no pecuniary interest in any entity regulated by the Authority.

2. The Deputy Commissioner shall:

(a) Serve as Chief Financial Officer for the Authority and is responsible for directing the daily operation of the Authority, including, without limitation:

(1) Budget preparation;

(2) Administration;

(3) Human resources;

(4) Purchases and acquisitions made by the Authority; and

(5) Contracts and leases entered into by the Authority;

(b) Develop and implement policies and procedures to ensure the efficient operation of the Authority;

(c) Oversee:

(1) The review of applications for certificates, permits and modifications of tariffs;

(2) The maintenance of a hearing calendar of all matters pending before the Authority;

and

(3) Compliance with and enforcement of State statutes and regulations pertaining to motor carriers which are regulated by the Authority; and

(d) Authenticate documents and serve as custodian of all agency records.

3. The Deputy Commissioner is in the unclassified service of the State.

4. The Authority shall employ compliance enforcement officers whose duties shall include, without limitation, enforcement activities to ensure motor carriers are operating in compliance with State statutes and regulations, conducting operational inspections of motor carriers and investigating complaints against motor carriers.

5. The Authority may employ such other personnel as may be necessary.

Sec. 28. On October 1, 2007, the State Controller shall transfer all assets and liabilities from the Transportation Services Authority Regulatory Fund to the Nevada Transportation Authority Regulatory Fund created pursuant to section 23 of this act.

Sec. 29. The Legislative Counsel shall:

1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

2. In preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

~~[Sec. 12.]~~ Sec. 30. 1. This section and section 1 of this act become effective upon passage and approval.

2. Sections 13 to 29, inclusive, of this act, become effective upon passage and approval for the purpose of adopting regulations and conducting any preliminary activities necessary to ensure that the provisions of this act are carried out in an orderly fashion and on October 1, 2007, for all other purposes.

3. Sections 1.3, 1.7, 3, 5 and 7 to 10, inclusive, of this act become effective on October 1, 2007.

~~[2.]~~ 4. Sections 2, 11 and 12 of this act become effective on March 1, 2008.

~~[4.]~~ 5. Sections 3 and 5 of this act expire by limitation on the date of the repeal of the federal law requiring each state to make it unlawful for a person to operate a motor vehicle with a blood alcohol concentration of 0.08 percent or greater as a condition to receiving federal funding for the construction of highways in this State.

~~[5.]~~ 6. Sections 4 and 6 of this act become effective on the date of the repeal of the federal law requiring each state to make it unlawful for a person to operate a motor vehicle with a blood alcohol concentration of 0.08 percent or greater as a condition to receiving federal funding for the construction of highways in this State.

JOHN J. LEE

MARK E. AMODEI

JOYCE WOODHOUSE

Senate Conference Committee

KELVIN D. ATKINSON

MARK A. MANENDO

PETE GOICOECHEA

Assembly Conference Committee

Senator Lee moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 497.

Remarks by Senator Lee.

Motion carried by a constitutional majority.

Senator Raggio moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 9:30 p.m.

SENATE IN SESSION

At 11:19

President Krolicki presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Amodei moved that Assembly Bill No. 115 be taken from the General File on the eighth agenda and placed on the General File on the seventh agenda.

Remarks by Senator Amodei.

Motion carried.

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 4, 2007

To the Honorable the Senate:

Also, I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bill No. 629.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bill No. 255.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Conference Committee concerning Assembly Bill No. 319.

I have the honor to inform your honorable body that the Assembly on this day failed to sustain the Governor's veto of Assembly Bill No. 364 of the 74th Session.

LUCINDA BENJAMIN
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Raggio moved that vetoed Assembly Bill No. 364 of the 74th Session be made a Special Order of Business for Monday, June 4, 2007, at 11:30 p.m.

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 255.

Senator Nolan moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Assembly Bill No. 629.

Senator Nolan moved that the bill be referred to the Committee on Finance.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 115.

Bill read third time.

Roll call on Assembly Bill No. 115:

YEAS—21.

NAYS—None.

Assembly Bill No. 115 having received a two-thirds majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 146.

Bill read third time.

Roll call on Assembly Bill No. 146:

YEAS—19.

NAYS—Cegavske, McGinness—2.

Assembly Bill No. 146 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS

RECEDE FROM SENATE AMENDMENTS

Senator Nolan moved that the Senate do not recede from its action on Assembly Bill No. 619, that a conference be requested, and that Mr. President appoint a first Conference Committee consisting of three members to meet with a like committee of the Assembly.

Remarks by Senator Nolan.

Motion carried.

Bill ordered transmitted to the Assembly.

APPOINTMENT OF CONFERENCE COMMITTEES

President Krolicki appointed Senators Nolan, Heck and Lee as a first Conference Committee to meet with a like committee of the Assembly for the further consideration of Assembly Bill No. 619.

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Assembly Bill No. 319, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 869 of the Senate be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 45, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—~~[Pledges that the retirement benefits for certain public employees will not be increased without adequate funding.]~~ Makes various changes concerning public employees. (BDR {23-750})" 17-750)

"AN ACT relating to public ~~[employees' retirement.]~~ employees; [pledging that the Legislature will not increase the retirement benefits for certain public employees unless the retirement fund from which the benefits will be paid is funded at or above a certain level;] repealing various provisions concerning compensation for employees of the Legislature; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

~~[Under existing law, the retirement benefits of public employees under the Public Employees' Retirement System are generally governed by the provisions of chapter 286 of NRS. There are two separate retirement funds established under the System pursuant to chapter 286 of NRS, the Public Employees' Retirement Fund and the Police and Firefighters' Retirement Fund. (NRS 286.220, 286.225) This bill sets forth the pledge of the Legislature that it will not increase any benefit or allowance payable under the System pursuant to chapter 286 of NRS unless the actuarial value of the assets of the retirement fund from which the benefit or allowance will be paid is equal to or greater than 85 percent of the actuarial accrued liabilities of that retirement fund.] Section 2 of this bill repeals a prohibition against compensating the Secretary of the Senate and the Chief Clerk of the Assembly for overtime. Section 3 of this bill repeals certain provisions concerning the definition of "compensation" for certain legislative employees for the purposes of the Public Employees' Retirement System.~~

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. [Chapter 286 of NRS is hereby amended by adding thereto a new section to read as follows:

~~The Legislature hereby pledges that it will not enact any law which has the effect of increasing any benefit or allowance payable under the System pursuant to this chapter unless the actuarial value of the assets of the retirement fund from which the benefit or allowance will be paid is equal to or greater than 85 percent of the actuarial accrued liabilities of that retirement fund, as determined in accordance with generally accepted accounting principles for government as prescribed by the Governmental Accounting Standards Board.] (Deleted by amendment.)~~

Sec. 2. ~~[(Deleted by amendment.)]~~ NRS 218.195 is hereby amended to read as follows:

218.195 1. The compensation of the Secretary of the Senate and the Chief Clerk of the Assembly must be provided for in the budget for the Legislature for the ensuing biennium. The compensation ~~is~~

~~(a) Must~~ must include an annual salary payable on a biweekly basis. The salary must not be increased during the biennium unless otherwise provided by a legislative act, ~~and~~

~~(b) Must not include compensation for overtime.]~~

2. Except as otherwise provided in this section, the Secretary of the Senate and the Chief Clerk of the Assembly are subject to the same requirements of and entitled to the same benefits and rights as specified for employees of the Legislative Counsel Bureau. For the purposes of this subsection, references in the statutes and in the rules and policies of the Legislative Counsel Bureau to the chief of a division or the Director of the Legislative Counsel Bureau must be replaced by:

- (a) The Majority Leader of the Senate in the case of the Secretary of the Senate.
- (b) The Speaker of the Assembly in the case of the Chief Clerk of the Assembly.

3. Notwithstanding the provisions of subsection 2, the Secretary of the Senate and the Chief Clerk of the Assembly are not employees of the Legislative Counsel Bureau.

Sec. 3. Sections 1 and 11 of Assembly Bill No. 593 of this session are hereby repealed.

~~[Sec. 3.]~~ Sec. 4. This act becomes effective upon passage and approval ~~it~~ and applies retroactively to November 1, 2006.

TEXT OF REPEALED SECTION\

Section 1 of Assembly Bill No. 593 of this session:

Section 1. Chapter 218 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *For the purposes of NRS 286.025, salary paid for all hours worked by an executive, administrative, professional or supervisory employee of the Legislative Counsel Bureau in addition to the employee's regularly scheduled workday or 40-hour workweek in the fiscal year that includes a regular session of the Legislature, up to a maximum number of hours designated as required for the classification by the Director of the Legislative Counsel Bureau and approved by the Legislative Commission, constitutes "compensation." The Legislative Counsel Bureau and such employees shall make the appropriate contributions to the Public Employees' Retirement System for such compensation.*

2. *The maximum number of additional hours that may be designated as required for a classification pursuant to subsection 1 is 750.*

Section 11 of Assembly Bill No. 593 of this session:

Sec. 11. A person who worked hours before and during the 2007 regular session of the Legislature that would have been considered as compensation pursuant to the provisions of section 1 of this act, had that section been in effect, may elect to have his payment for those hours, up to the limit established for his classification, and in no case more than 750 hours, considered as compensation by:

- 1. Notifying the Public Employees' Retirement System of his election; and
- 2. Paying the amount necessary to make both the employer and employee contributions to the System on the payment for the additional hours that the person desires to have considered as compensation. The Legislative Counsel Bureau shall not make any portion of the required contribution.

☛ The election and payment must be made on or before January 1, 2008.

BOB BEERS

BOB COFFIN

DEAN A. RHOADS

Senate Conference Committee

MORSE ARBERRY

BARBARA E. BUCKLEY

JOE HARDY

Assembly Conference Committee

Senator Beers moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 319.

Remarks by Senator Beers.

Motion carried by a constitutional majority.

APPOINTMENT OF CONFERENCE COMMITTEES

President Krolicki appointed Senators Cegavske, Townsend and Horsford as a first Conference Committee to meet with a like committee of the Assembly for the further consideration of Senate Bill No. 490.

SPECIAL ORDERS OF THE DAY
VETO MESSAGES OF THE GOVERNOR

The hour of 11:30 p.m. having arrived. Vetoed Assembly Bill No. 364 of the 74th Session was considered.

Vetoed Assembly Bill No. 364 of the 74th Session.

Bill read.

Governor's message stating his objections read.

MESSAGES FROM THE GOVERNOR
OFFICE OF THE GOVERNOR

June 4, 2007

The Honorable Barbara Buckley, *Speaker of the Assembly*, Legislative Building, 401 South Carson Street, Carson City, Nevada, 89701

RE: Assembly Bill No. 364 of the 74th Session

DEAR SPEAKER BUCKLEY:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Assembly Bill 364, which is entitled:

"AN ACT relating to criminal procedure; authorizing a defendant to submit a statement concerning the results of a preliminary hearing to a grand jury; and providing other matters properly relating thereto."

This bill would allow a defendant in a criminal proceeding to make a statement to a grand jury regarding certain findings from a preliminary hearing. This would result in a dramatic and unwarranted departure from existing criminal justice procedure in Nevada.

The purpose of the grand jury is not to try a case, but to establish whether cause exists to issue an indictment. This bill would open the door to future changes to the fundamental nature of grand jury proceedings. The rights of defendants are already adequately protected during the grand jury phase, from the right of the grand jury to call witnesses to the obligation of a prosecuting attorney to submit exculpatory evidence to the grand jury.

The grand jury system is a fair and workable system that protects the rights of defendants and there is no compelling need to change it.

For all of these reasons, I hereby exercise my constitutional grant of authority and veto Assembly Bill No. 364.

Sincerely,
JIM GIBBONS
Governor

The question was put: "Shall the bill pass, notwithstanding the objections of the Governor?"

The roll was called, and the Senate sustained the veto of the Governor by the following vote:

Roll call on Assembly Bill No. 364 of the 74th Session:

YEAS—8.

NAYS—Amodei, Beers, Cegavske, Coffin, Hardy, Heck, McGinness, Nolan, Raggio, Rhoads, Townsend, Washington, Woodhouse—13.

Senator Raggio moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 11:35 p.m.

SENATE IN SESSION

At 11:53 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 563, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which were rereferred Assembly Bills Nos. 89, 280, 553, 565, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM J. RAGGIO, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 4, 2007

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bill No. 556.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 185, Amendment No. 1157, Senate Bill No. 471, Amendment No. 1168; Senate Bill No. 476, Amendment No. 1150, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 1108 to Assembly Bill No. 625.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Ocegüera, Conklin and Allen as a first Conference Committee concerning Assembly Bill No. 619.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Conference Committee concerning Senate Bills Nos. 171, 266, 412, 487, 516; Assembly Bill No. 619.

LUCINDA BENJAMIN

Assistant Chief Clerk of the Assembly

SECOND READING AND AMENDMENT

Assembly Bill No. 280.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1173.

"SUMMARY—Revises provisions governing licensed ~~educational personnel;~~ teachers and makes an appropriation. (BDR ~~[34-1051]~~ S-1051)"

"AN ACT ~~[relating to education; creating the Pay for Performance Fund in the State Treasury; prescribing the requirements for distribution of grants of money from the Fund to]~~ making an appropriation for school districts that adopt ~~[a program]~~ pilot programs of performance pay and enhanced compensation for the ~~[enhanced]~~ recruitment and retention of licensed ~~educational personnel;~~ teachers; making an appropriation ~~[+]~~ to continue certain contractual services of a consultant; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section ~~[1.5]~~ 2 of this bill ~~creates the Pay for Performance Fund in the State Treasury. Section 1.5 also provides that, within the limits of money available in the Fund, the board of trustees of a school district may submit an application for a grant of money from the Fund]~~ appropriates money to provide [a program] for pilot programs of performance pay and enhanced compensation for the [enhanced] recruitment and retention of licensed [educational personnel.] teachers.

Section 3 of this bill appropriates money to continue the contractual services of a consultant to provide for the reporting of test scores of pupils and other educational services.

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

Section 1. (Deleted by amendment.)

Sec. 1.5. ~~[Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. There is hereby created in the State Treasury a Pay for Performance Fund to be administered by the Department. The Department may accept gifts, grants and donations from any source for deposit in the Fund.~~

~~2. Within the limits of available money in the Pay for Performance Fund, the Department shall provide grants of money to school districts based upon the number of pupils enrolled in each school district. Each school district shall use the money to provide a program of performance pay and enhanced compensation for the [enhanced] purposes of the recruitment and retention of licensed educational personnel employed by the school district.~~

~~3. Any interest and income earned on the sum of:~~

~~(a) The money in the Pay for Performance Fund; and~~

~~(b) Unexpended appropriations made to the Pay for Performance Fund from the State General Fund;~~

~~must be credited to the Pay for Performance Fund.~~

~~4. The money remaining in the Pay for Performance Fund at the end of any fiscal year does not revert to the State General Fund and must be carried forward to the next fiscal year.] (Deleted by amendment.)~~

Sec. 2. 1. There is hereby appropriated from the State General Fund to the ~~[Pay for Performance Fund created by section 1.5 of this act for the Clark County School District, Lyon County School District and Washoe County School District to carry out a pilot program]~~ Department of Education for pilot programs of performance pay and enhanced compensation for the ~~[enhanced]~~ recruitment and retention of licensed ~~[educational personnel.]~~ teachers:

For the Fiscal Year 2007-2008\$5,000,000

For the Fiscal Year 2008-2009\$5,000,000

2. ~~[To receive a grant of money, the]~~ The Board of Trustees of the Clark County School District, the Board of Trustees of the Lyon County School District, and the Board of Trustees of the Washoe County School District shall, and the board of trustees of a school district in a county whose

population is less than 100,000 may, ~~each~~ submit an application to the Department of Education that sets forth a pilot program of performance pay and enhanced compensation for the ~~enhanced~~ recruitment and retention of licensed ~~educational personnel~~ teachers adopted by the school district and negotiated pursuant to chapter 288 of NRS. In addition, each school district that submits an application shall submit a copy of its application to the Legislative Bureau of Educational Accountability and Program Evaluation. The Department shall present a summary of the applications to the Legislative Committee on Education. Each application must be submitted on or before March 1, 2008 ~~;~~ , and must specify the exact manner in which the money will be used for the pilot program.

3. The pilot program developed by each school district that submits an application must ~~include a component that is based upon the achievement of pupils~~ give appropriate consideration to implementation in at-risk schools. In addition, the pilot program may include, without limitation, the following components:

(a) Career leadership advancement options to maximize the retention of teachers in the classroom;

(b) Professional development;

(c) Group incentives; and

(d) Multiple assessments of individual teachers, with primary emphasis on individual pupil achievement and growth, including, without limitation, portfolios of instruction, leadership and professional growth, and other appropriate measures of teacher performance must be considered.

4. Each pilot program must be developed in consultation with an advisory board established by the school district which consists of, without limitation:

(a) Representatives of businesses;

(b) Parents of pupils enrolled in the school district;

(c) Licensed educational personnel; and

(d) Other persons and representatives as the board of trustees determines appropriate.

➡ The total number of licensed educational personnel on the advisory board must not exceed the total number of other members on the advisory board.

~~3.1~~ 5. The Department of Education shall distribute the money appropriated by subsection 1 among the ~~three~~ the school districts whose applications are approved pro rata based upon the number of pupils enrolled in each school district. The amount of compensation that an individual teacher may receive from the grant received by a school district must not exceed \$3,000 per year.

~~4.1~~ 6. The board of trustees of each school district that receives a grant of money pursuant to this section shall evaluate the effectiveness of the pilot program for which the grant of money was awarded. The evaluation must include, without limitation : ~~an~~

(a) An evaluation of whether the pilot program is effective in recruiting and retaining qualified ~~licensed educational personnel~~ teachers;

(b) The number of licensed teachers who participated in the pilot program;

(c) The grade level of the schools that participated in the pilot program;

(d) The subject areas taught by the teachers who participated, if applicable;

(e) The level of experience of the teachers who participated;

(f) The goals and outcomes of the pilot program based upon the components of the pilot program; and

(g) Any recommendations for consideration by the 75th Session of the Nevada Legislature.

7. On or before ~~February~~ January 1, 2009, the board of trustees of each school district shall submit a report of its evaluation and any recommendations to the:

(a) ~~State Board of Education; and~~

(b) ~~Director of the Legislative Counsel Bureau for transmittal to the 75th Session of the Nevada Legislature.~~ Legislative Committee on Education;

(b) Department of Education; and

(c) Legislative Bureau of Educational Accountability and Program Evaluation.

8. The Department of Education shall compile the reports of the evaluations and submit a written summary of the compilation to the Director of the Legislative Counsel Bureau for transmittal to the 75th Session of the Nevada Legislature.

~~[5. Any remaining balance of the appropriation made by subsection 1 must not be reverted to the State General Fund and must remain in the Pay for Performance Fund created by section 1.5 of this act.]~~

9. The Department of Education shall, in consultation with representatives appointed by the Nevada Association of School Superintendents and the Nevada Association of School Boards, develop a formula for identifying at-risk schools for purposes of this section. The formula must be developed on or before July 1, 2007, and include, without limitation, the following factors:

(a) The percentage of pupils who are eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.;

(b) The transiency rate of pupils;

(c) The percentage of pupils who are limited English proficient;

(d) The percentage of pupils who have individualized education programs;

(e) The percentage of pupils who score in the bottom two quarters on the mathematics portion or the reading portion, or both, of the high school proficiency examination; and

(f) The percentage of pupils who drop out of high school before graduation.

10. The sums appropriated by subsection 1 must not be used to negotiate the salaries of teachers who participate in the program.

11. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 3. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee:

For the Fiscal Year 2007-2008.....\$475,000

For the Fiscal Year 2008-2009.....\$475,000

2. The Interim Finance Committee shall use the money appropriated by subsection 1 to continue the contractual services of a consultant to provide for the reporting of test scores of pupils to parents and to provide web-based data and to improve the performance of pupils on statewide examinations, and to provide related services identified by the Interim Finance Committee.

3. The sums appropriated by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

~~{Sec. 3.}~~ Sec. 4. This act becomes effective on July 1, 2007.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 434.

Bill read second time.

The following amendment was proposed by the Committee on Human Resources and Education:

Amendment No. 1171.

"SUMMARY—Revises provisions governing education. (BDR 34-1270)"

"AN ACT relating to education; revising provisions governing eligibility for a millennium scholarship; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law creates the Governor Guinn Millennium Scholarship Program and prescribes the criteria for eligibility of a millennium scholarship. (NRS 396.911-396.938) Section 4 of this bill provides an exception from the 2-year residency requirement for students who have a parent or legal guardian on active duty serving in the Armed Forces of the United States. Section 4 of this bill further requires the Board of Regents of the Nevada System of Higher Education to adopt procedures by which an applicant for a millennium scholarship would be required to execute an affidavit declaring his eligibility for a millennium scholarship and his citizenship or immigration status.

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. (Deleted by amendment.)

Sec. 4. NRS 396.930 is hereby amended to read as follows:

396.930 1. Except as otherwise provided in subsections 2 and 3, a student may apply to the Board of Regents for a millennium scholarship if he:

(a) Has been a resident of this State for at least 2 years before he applies for the scholarship;

(b) Except as otherwise provided in paragraph (c), graduated from a public or private high school in this State:

(1) After May 1, 2000, but not later than May 1, 2003; or

(2) After May 1, 2003, and, except as otherwise provided in paragraph (c) of subsection 2, not more than 6 years before he applies for the scholarship;

(c) Does not satisfy the requirements of paragraph (b) and:

(1) Was enrolled as a pupil in a public or private high school in this State with a class of pupils who were regularly scheduled to graduate after May 1, 2000;

(2) Received his high school diploma within 4 years after he was regularly scheduled to graduate; and

(3) Applies for the scholarship not more than 6 years after he was regularly scheduled to graduate from high school;

(d) Maintained in high school in the courses designated by the Board of Regents pursuant to paragraph (b) of subsection 2, at least:

(1) A 3.00 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2003 or 2004;

(2) A 3.10 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2005 or 2006; or

(3) A 3.25 grade point average on a 4.0 grading scale, if he was a member of the graduating class of 2007 or a later graduating class; and

(e) Is enrolled in at least:

(1) Six semester credit hours in a community college within the System;

or

(2) Twelve semester credit hours in another eligible institution.

2. The Board of Regents:

(a) Shall define the core curriculum that a student must complete in high school to be eligible for a millennium scholarship.

(b) Shall designate the courses in which a student must earn the minimum grade point averages set forth in paragraph (d) of subsection 1.

(c) May establish criteria with respect to students who have been on active duty serving in the Armed Forces of the United States to exempt such students from the 6-year limitation on applications that is set forth in subparagraph (2) of paragraph (b) of subsection 1.

(d) Shall establish criteria with respect to students who have a documented physical or mental disability or who were previously subject to an individualized education program under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., or a plan under Title V of the Rehabilitation Act of 1973, 29 U.S.C. §§ 791 et seq. The criteria must provide an exemption for those students from:

(1) The 6-year limitation on applications that is set forth in subparagraph (2) of paragraph (b) of subsection 1 and subparagraph (3) of paragraph (c) of subsection 1 and any limitation applicable to students who are eligible pursuant to subparagraph (1) of paragraph (b) of subsection 1.

(2) The minimum number of credits prescribed in paragraph (e) of subsection 1.

(e) Shall establish criteria with respect to students who have a parent or legal guardian on active duty in the Armed Forces of the United States to exempt such students from the residency requirement set forth in paragraph (a) of subsection 1 or subsection 3.

3. Except as otherwise provided in paragraph (c) of subsection 1, for students who did not graduate from a public or private high school in this State and who , *except as otherwise provided in paragraph (e) of subsection 2*, have been residents of this State for at least 2 years, the Board of Regents shall establish:

(a) The minimum score on a standardized test that such students must receive; or

(b) Other criteria that students must meet,

➡ to be eligible for millennium scholarships.

4. In awarding scholarships, the Board of Regents shall enhance its outreach to students who:

(a) Are pursuing a career in education or health care;

(b) Come from families who lack sufficient financial resources to pay for the costs of sending their children to an eligible institution; or

(c) Substantially participated in an antismoking, antidrug or antialcohol program during high school.

5. *The Board of Regents shall establish a procedure by which an applicant for a millennium scholarship is required to execute an affidavit declaring his eligibility for a millennium scholarship pursuant to the requirements of this section. The affidavit must include a declaration that the applicant is a United States citizen or has lawful immigration status or that the applicant has filed an application to legalize his immigration status or will file an application to legalize his immigration status as soon as he is eligible to do so.*

Sec. 5. This act becomes effective on July 1, 2008.

Senator Washington moved the adoption of the amendment.

Remarks by Senator Washington.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 553.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1179.

"SUMMARY—Makes appropriations relating to education.
(BDR S-427)"

"AN ACT making appropriations relating to education; and providing other matters properly relating thereto."

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

Section 1. 1. There is hereby appropriated from the State General Fund to the Department of Education the sum of \$800,000 for gifted and talented programs. After the allocation pursuant to subsection 2, the Department shall allocate the money based upon the number of pupils enrolled in each school district. The money must be used by a school district for gifted and talented programs that directly impact gifted and talented pupils.

2. Of the amount appropriated by subsection 1, the Department of Education shall use \$55,293 in Fiscal Year 2007-2008 and \$74,535 in Fiscal Year 2008-2009 for a parent involvement coordinator position in the Department of Education.

3. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 2. 1. There is hereby appropriated from the State General Fund to the Department of Education for pilot programs for alternative programs of education for disruptive pupils established pursuant to this section the sum of \$915,000.

2. The Superintendent of Public Instruction shall prescribe:

(a) The form for an application to establish a pilot program for an alternative program of education for disruptive pupils; and

(b) Criteria for the selection of schools to establish such a pilot program.

3. A public school in this State may submit an application to the Department to establish a pilot program pursuant to this section. Such an application must include an estimate of the costs of establishing a program. If a school is selected to establish a pilot program, the school will receive a grant of money from the appropriation made by subsection 1 to carry out a program in an amount based upon the estimated costs of establishing the program.

4. A pilot program established pursuant to this section must:

(a) Comply with NRS 392.4642 to 392.4648, inclusive;

(b) Be provided in a setting outside the regular classroom of the pupil;

(c) Ensure that pupils who are participating in the program are separated from pupils who are not participating in the program;

(d) Provide supervision of and counseling to pupils who participate in the program;

(e) Provide and emphasize instruction in English language arts, mathematics, science and history, as appropriate to the grade level of the pupils participating in the program;

(f) Provide and emphasize training in self-discipline;

(g) Provide for a transitional stage between in-school or in-home suspension and regular school activities; and

(h) Include an evaluation phase based on the collection of data to measure the effectiveness of the program.

5. A pilot program established pursuant to this section may:

(a) Be located on the grounds of the school or at another location.

(b) Include programs that:

(1) Use innovative instructional, counseling or disciplinary concepts.

(2) Encourage the effective involvement of the parents and legal guardians of pupils who are participating in the program.

(c) Provide instructional and other services to pupils through the existing staff at a public school or from other personnel, or any combination thereof.

6. On or before October 1, 2008, the schools that establish a pilot program pursuant to this section shall submit a report to the Department for the period ending September 1, 2008, that includes:

(a) The manner in which the pilot program was carried out;

(b) The number of pupils who participated in the program;

(c) The expenditures made by the school for the program;

(d) The number of disciplinary referrals, suspensions and expulsions that occurred at the school before and after the establishment of the program; and

(e) An analysis of the academic achievement and performance of the pupils before and after the pupils participated in the program.

7. The Department shall evaluate the effectiveness of the pilot programs established pursuant to this section based on the reports submitted by the schools pursuant to subsection 6. In addition, the Department shall solicit and analyze data from schools that did not establish pilot programs pursuant to this section but have established alternative programs of education for disruptive pupils. The Department may spend not more than \$10,000 of the amount appropriated by subsection 1 during the Fiscal Years 2007-2009 to hire a contractor to assist with the evaluation.

8. On or before December 1, 2008, the Department shall submit a report of its findings to the Legislative Committee on Education.

9. On or before February 1, 2009, the Department shall submit a final report of its findings to the Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature.

10. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 3. 1. There is hereby appropriated from the State General Fund to the Department of Education the sum of \$100,000 for distribution to school districts that establish pilot programs in accordance with this section. The Department shall:

(a) Prescribe the form for an application to establish a pilot program to teach the English language to children who have limited proficiency in the English language during the summer before they attend kindergarten;

(b) Prescribe the criteria for the selection of school districts to establish a pilot program; and

(c) Develop a uniform method for evaluation of the pilot programs that provides a longitudinal analysis of statistical data.

2. A school district that wishes to establish a pilot program to teach the English language to children who have limited proficiency in the English language during the summer before they attend kindergarten shall:

(a) On or before October 1, 2007, submit to the Department of Education an application on the form provided by the Department pursuant to subsection 1;

(b) Submit proof to the Department that the school district has obtained matching money from a private source to combine with the money provided by the Department; and

(c) Agree to participate in the longitudinal evaluation of the pilot programs developed by the Department pursuant to subsection 1.

3. An application submitted pursuant to subsection 2 must contain a plan for a pilot program. Such a plan must:

(a) Contain an estimate of the number of children who will be enrolled in the program.

(b) Set forth the manner in which the children will be screened for participation in the pilot program. For each student that will participate in the pilot program, all prekindergarten children who are determined to have limited proficiency in the English language, who speak a common language and who will be enrolled in kindergarten at the school in the fall of 2008, must be enrolled in the same class for the pilot program, unless fewer than 10 such children speak a common language.

(c) Ensure that each class taught in the pilot program includes at least one teacher and one paraprofessional, at least one of whom must speak, read and write both the English language and the primary language of the children enrolled in the class.

4. The Department of Education shall not approve an application submitted pursuant to subsection 2 if the applicant has not received matching money from a private source.

5. On or before December 1, 2007, the Department of Education shall make grants of money from the appropriation made by subsection 1 as follows:

(a) If the Department approves an application submitted by the Clark County School District, up to \$70,000 to the School District to carry out the pilot program before the beginning of the 2008-2009 school year.

(b) If the Department approves an application submitted by the Washoe County School District, up to \$30,000 to the School District to carry out the pilot program before the beginning of the 2008-2009 school year.

(c) If the Department approves applications submitted by school districts other than the Clark County School District and the Washoe County School District, the Department shall distribute the amount of money remaining after the distributions to the Clark County School District and the Washoe County School District, if any, to those school districts. The grants of money made to each school district pursuant to this paragraph must be distributed proportionately among the school districts based upon the number of children who are estimated to participate in the pilot program in each school district. A school district that receives a grant of money pursuant to this paragraph shall use the money to carry out the approved pilot program before the beginning of the 2008-2009 school year.

6. For each school district whose application is approved, the school district shall distribute \$1,000 to each school that will participate in the pilot

program to promote parental involvement with the parents and legal guardians of children enrolled in the program. The money may be used by a school, without limitation, for the purchase of translating materials for the parents and guardians and providing training to the staff and parents and guardians on effective methods to communicate with school personnel and other methods designed to promote effective involvement by parents and guardians in the education of their children.

7. A school district that establishes a pilot program:

(a) Is responsible for all costs associated with the building, maintenance, utilities, administration and supplies for the pilot program offered at a school within the district.

(b) Shall submit an evaluation of the pilot program on or before November 1, 2008, to the Department of Education in a format required by the Department.

8. On or before February 2, 2009, the Department of Education shall submit a report to the Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature. The report must include, without limitation:

(a) The name of each school district that received a grant of money pursuant to subsection 5 and the amount of each grant;

(b) A compilation of the evaluations submitted by each school district that established a pilot program;

(c) An evaluation of the pilot programs, including, without limitation, the effect of the programs on the achievement and proficiency in the English language of the children enrolled in the program; and

(d) Any recommendations for legislation relating to the pilot programs.

9. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 4. 1. There is hereby appropriated from the State General Fund to the Communities in Schools of Southern Nevada, Inc., the sum of \$709,000 to coordinate the provision of student and family services to youth in Clark County.

2. Upon acceptance of the money appropriated by subsection 1, the Communities in Schools of Southern Nevada shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was

received by the Communities in Schools of Southern Nevada through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Communities in Schools of Southern Nevada through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Communities in Schools of Southern Nevada, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

3. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 5. 1. There is hereby appropriated from the State General Fund to the Greater Las Vegas After-School All-Stars the sum of \$709,000 for the implementation and operation of after-school programs in certain at-risk schools within the Clark County School District.

2. The Greater Las Vegas After-School All-Stars shall work in cooperation with the Clark County School District to identify the at-risk schools within the School District in which the after-school programs will be provided.

3. The Greater Las Vegas After-School All-Stars shall use the money appropriated by subsection 1 to implement and operate an after-school program at each school identified pursuant to subsection 2, including, without limitation:

- (a) Personnel for the program;
- (b) Equipment and supplies for the program, including, without limitation, educational and instructional materials and sports equipment;
- (c) Incentives for children who participate in the program, including, without limitation, shirts and medals;
- (d) Transportation for educational field trips; and
- (e) The provision of healthy snacks for children who participate in the program.

4. Upon acceptance of the money appropriated by subsection 1, the Greater Las Vegas After-School All-Stars shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Greater Las Vegas After-School All-Stars through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Greater Las Vegas After-School All-Stars through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Greater Las Vegas After-School All-Stars, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

5. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 6. 1. There is hereby appropriated from the State General Fund to the Department of Education the sum of \$709,000 for allocation to Save the Children for in-school and after-school literacy programs.

2. Upon acceptance of the money appropriated by subsection 1 and allocated by the Department, Save the Children shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by Save the Children through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by Save the Children through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of Save the Children, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

3. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 7. 1. There is hereby appropriated from the State General Fund to the Department of Education to provide signing bonuses to teachers of students who are deaf or hard of hearing who are newly hired by school districts:

For the Fiscal Year 2007-2008\$5,000

For the Fiscal Year 2008-2009\$5,000

2. A newly hired teacher of students who are deaf or hard of hearing may not receive a signing bonus pursuant to this section until he has taught for a school district in this State for at least 30 days. A teacher of students who are deaf or hard of hearing may receive this bonus in addition to any other bonuses available for newly hired teachers. A teacher of students who are deaf or hard of hearing who teaches for a school district in this State before July 1, 2007, and who subsequently transfers to another school district in this State is not eligible to receive a signing bonus pursuant to this section.

3. A school district that wishes to provide signing bonuses to its newly hired teachers of students who are deaf or hard of hearing shall submit information to the Department of Education, in a format prescribed by the Department, concerning the number of newly hired teachers of students who are deaf or hard of hearing for each fiscal year.

4. The Department of Education shall use the money appropriated by subsection 1 to provide signing bonuses to newly hired teachers of students who are deaf or hard of hearing for each fiscal year. The Department shall analyze the total number of newly hired teachers of students who are deaf or hard of hearing submitted by school districts pursuant to subsection 3 and determine the total amount of each signing bonus for each fiscal year. The amount of a bonus paid to each teacher must not exceed \$1,000.

5. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years must not be committed for expenditure after June 30 of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2008, and September 18, 2009, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State

General Fund on or before September 19, 2008, and September 18, 2009, respectively.

Sec. 8. 1. There is hereby appropriated from the State General Fund to the Department of Education for distribution to school districts for training stipends to teachers of students who are deaf or hard of hearing and interpreters for students who are deaf or hard of hearing who are engaged in college or university course work in the education of students who are deaf or hard of hearing:

For the Fiscal Year 2007-2008\$37,500

For the Fiscal Year 2008-2009\$37,500

2. A school district that wishes to provide training stipends to teachers of and interpreters for students who are deaf or hard of hearing shall submit information to the Department of Education, in a format prescribed by the Department, concerning the number of teachers of or interpreters for students who are deaf or hard of hearing who are engaged in college or university course work in the education of students who are deaf or hard of hearing for each fiscal year.

3. The Department of Education shall use the money appropriated by subsection 1 to pay training stipends to teachers of or interpreters for students who are deaf or hard of hearing. The Department shall analyze the total number of teachers of or interpreters for students who are deaf or hard of hearing submitted by school districts pursuant to subsection 2 and determine the total number and amount of training stipends to be awarded each fiscal year. The amount of a stipend paid to each teacher or interpreter must not exceed \$500. The number of teachers who receive stipends pursuant to this section must not exceed 50 for each fiscal year. The number of interpreters who receive stipends pursuant to this section must not exceed 25 for each fiscal year.

4. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years must not be committed for expenditure after June 30 of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2008, and September 18, 2009, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2008, and September 18, 2009, respectively.

Sec. 9. 1. There is hereby appropriated from the State General Fund to the Intel International Science and Engineering Fair to be held May 8 through 15, 2009, in Reno, the sum of \$200,000.

2. Upon acceptance of the money appropriated by subsection 1, the Intel International Science and Engineering Fair shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Fair through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Fair through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Fair regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

3. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 10. 1. There is hereby appropriated from the State General Fund to the Department of Education the sum of \$273,000 for distribution to school districts to establish a pilot program in accordance with this section.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

3. The Department of Education shall:

(a) Prescribe the form for an application to develop a magnet or regional elementary school pilot program for students who are deaf or hard of hearing;

(b) Prescribe the criteria for selection of a partnership between one or more school districts ~~in counties whose population is less than 100,000~~ and that do not offer magnet or regional programs at the elementary level for students who are deaf or hard of hearing and a Deaf Studies program at an institution of the Nevada System of Higher Education to establish a pilot program; and

(c) Develop a uniform method for evaluation of the pilot program that provides a longitudinal analysis of statistical data.

4. A partnership between one or more school districts and the Deaf Studies program at an institution of the Nevada System of Higher Education that wishes to establish a pilot program pursuant to this section shall:

(a) On or before October 1, 2007, submit to the Department of Education an application on the form prescribed by the Department pursuant to subsection 3; and

(b) Agree to participate in the longitudinal evaluation of the pilot program developed by the Department pursuant to subsection 3.

5. An application submitted pursuant to subsection 2 must contain a plan for a pilot program. Such a plan must:

(a) Contain a budget for the 2007-2008 school year that expends not more than \$5,000 of the money appropriated by this section to be used for the planning of the program and the surveying of parents and guardians of elementary age children who are deaf or hard of hearing to determine interest in a regional or magnet program.

(b) Contain a budget for the 2008-2009 school year with estimated costs for the transportation of students and estimated costs for additional school district personnel to implement the program, limited to not more than one teacher, two interpreters or aides and one speech pathologist.

(c) Set forth a plan for identifying the school to host the magnet or regional program and for transporting elementary school students who are deaf or hard of hearing to the host school.

(d) Set forth a plan for utilizing faculty and student assistance and any other resources available from the affiliated Deaf Studies program at an institution of the Nevada System of Higher Education.

6. If the Department of Education approves an application submitted by a partnership pursuant to subsections 4 and 5 to establish a pilot program, the Department shall provide to the partnership on or before December 1, 2007, a grant from the money appropriated by this section for the implementation of that program based on the budgets submitted pursuant to subsection 5.

7. The school districts participating in a pilot program pursuant to this section:

(a) Are responsible for all costs associated with the building, maintenance, utilities, administration and supplies for this pilot program.

(b) Shall submit an evaluation of the pilot program on or before November 1, 2008, to the Department of Education in a format required by the Department.

8. On or before February 1, 2009, the Department of Education shall submit a report to the Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature. The report must include, without limitation:

(a) An evaluation of the pilot program, including, without limitation, the effect of the program on the academic achievement of the pupils enrolled in the program; and

(b) Any recommendations for legislation relating to the pilot program.

Sec. 11. This act becomes effective on July 1, 2007.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 565.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1175.

"SUMMARY—Revises provisions governing educational finance. (BDR 34-1371)"

"AN ACT relating to education; revising the requirements for the biennial budgetary request for the State Distributive School Account; creating the Grant Fund for Incentives for Licensed Educational Personnel; repealing the provision requiring the purchase of retirement service for certain teachers and school psychologists; providing for the transfer of certain money to the Grant Fund; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law requires the board of trustees of each school district to submit to the Superintendent of Public Instruction and to the Department of Taxation a written report of the annual budget of the school district. The Superintendent of Public Instruction is required to compile the reports of the annual budgets and submit the written compilation to the Department of Administration and to the Fiscal Analysis Division of the Legislative Counsel Bureau. (NRS 387.303) Section 3 of this bill requires the Superintendent of Public Instruction to include certain information in the biennial budget request for the State Distributive School Account for submission to the Department of Administration based upon the annual budgets submitted by the school districts.

Section 4 of this bill creates the Grant Fund for Incentives for Licensed Educational Personnel and requires the board of trustees of each school district to establish a program of incentive pay for ~~licensed teachers and school psychologists.~~ certain employees of the school district.

Under existing law, the board of trustees of a school district is required to purchase one-fifth of a year of retirement service for certain teachers and school psychologists. (NRS 391.165) Section 8 of this bill repeals that section of NRS. Section 9 of this bill authorizes teachers and school psychologists who are currently receiving the retirement service to elect to continue in that program for a certain period. Section 10 of this bill provides that certain money specifically designated by the Legislature from the State

Distributive School Account for the 2007-2009 biennium to assist the school districts with the purchase of retirement service must be transferred to the Grant Fund for Incentives for Licensed Educational Personnel.

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. NRS 387.303 is hereby amended to read as follows:

387.303 1. Not later than November 10 of each year, the board of trustees of each school district shall submit to the Superintendent of Public Instruction and the Department of Taxation a report which includes the following information:

(a) For each fund within the school district, including, without limitation, the school district's general fund and any special revenue fund which receives state money, the total number and salaries of licensed and nonlicensed persons whose salaries are paid from the fund and who are employed by the school district in full-time positions or in part-time positions added together to represent full-time positions. Information must be provided for the current school year based upon the school district's final budget, including any amendments and augmentations thereto, and for the preceding school year. An employee must be categorized as filling an instructional, administrative, instructional support or other position.

(b) The count of pupils computed pursuant to paragraph (a) of subsection 1 of NRS 387.1233.

(c) The school district's actual expenditures in the fiscal year immediately preceding the report.

(d) The school district's proposed expenditures for the current fiscal year.

(e) The schedule of salaries for licensed employees in the current school year and a statement of whether the negotiations regarding salaries for the current school year have been completed. If the negotiations have not been completed at the time the schedule of salaries is submitted, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction upon completion of negotiations or the determination of an arbitrator concerning the negotiations that includes the schedule of salaries agreed to or required by the arbitrator.

(f) The number of teachers who received an increase in salary pursuant to subsection 2 of NRS 391.160 for the current and preceding fiscal years. If the board of trustees is required to pay an increase in salary retroactively pursuant to subsection 2 of NRS 391.160, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction not later than February 15 of the year in which the retroactive payment was made that includes the number of teachers to whom an increase in salary was paid retroactively.

(g) The number of employees eligible for health insurance within the school district for the current and preceding fiscal years and the amount paid for health insurance for each such employee during those years.

(h) The rates for fringe benefits, excluding health insurance, paid by the school district for its licensed employees in the preceding and current fiscal years.

(i) The amount paid for extra duties, supervision of extracurricular activities and supplemental pay and the number of employees receiving that pay in the preceding and current fiscal years.

(j) The expenditures from the account created pursuant to subsection 3 of NRS 179.1187. The report must indicate the total amount received by the district in the preceding fiscal year, and the specific amount spent on books and computer hardware and software for each grade level in the district.

2. On or before November 25 of each year, the Superintendent of Public Instruction shall submit to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau, in a format approved by the Director of the Department of Administration, a compilation of the reports made by each school district pursuant to subsection 1.

3. *In preparing the agency biennial budget request for the State Distributive School Account for submission to the Department of Administration, the Superintendent of Public Instruction ~~shall~~:*

(a) ~~Compile~~ *Shall compile* the information from the most recent compilation of reports submitted pursuant to subsection 2;

(b) ~~Increase~~ *May increase* the line items of expenditure or revenue based on merit salary increases and cost of living adjustments or inflation, as deemed credible and reliable based upon published indexes and research relevant to the specific line item of expenditure or revenue;

(c) ~~Adjust~~ *May adjust* expenditures and revenues pursuant to paragraph (b) for any year remaining before the biennium for which the budget is being prepared and for the 2 years of the biennium covered by the biennial budget request to project the cost of expenditures or the receipt of revenues for the specific line items;

(d) ~~Consider~~ *May consider* the cost of enhancements to existing programs or the projected cost of proposed new educational programs, regardless of whether those enhancements or new programs are included in the per pupil basic support guarantee for inclusion in the biennial budget request to the Department of Administration; and

(e) ~~Obtain~~ *Shall obtain* approval from the State Board for any inflationary increase, enhancement to an existing program or addition of a new program included in the agency biennial budget request.

4. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues ~~and expenditures~~ of the school districts with the apportionment received by those districts from the State Distributive School Account for the preceding year.

5. *The request prepared pursuant to subsection 3 must:*

(a) Be presented by the Superintendent of Public Instruction to such standing committees of the Legislature as requested by the ~~Superintendent determines appropriate~~ standing committees for the purpose of developing educational programs and providing appropriations for those programs; and

(b) Provide for a direct comparison of appropriations to the proposed budget of the Governor submitted pursuant to subsection 4 of NRS 353.230.

Sec. 4. Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There is hereby created a Grant Fund for Incentives for Licensed Educational Personnel to be administered by the Department. The Department may accept gifts and grants from any source for deposit in the Grant Fund.

2. The board of trustees of each school district shall establish a program of incentive pay for licensed teachers ~~and~~ school psychologists, school librarians, school counselors and administrators employed at the school level which must be designed to attract and retain ~~teachers and school psychologists~~ those employees. The program must be negotiated pursuant to chapter 288 of NRS and must include, without limitation, the attraction and retention of:

(a) Licensed teachers, school psychologists, school librarians, school counselors and administrators employed at the school level who have been employed ~~as teachers~~ in that category of position for at least 5 years in this State or another state and who are employed in schools ~~for which at least 65 percent of the pupils who are enrolled in the school are eligible for free or reduced price lunches pursuant to 42 U.S.C. §§ 1751 et seq.,~~ which are at-risk, as determined by the Department pursuant to subsection 8; and

(b) Teachers who hold an endorsement in the field of mathematics, science, special education, English as a second language or other area of need within the school district, as determined by the Superintendent of Public Instruction, ~~and~~

~~(c) School psychologists.~~

3. A program of incentive pay established by a school district must specify the type of financial incentives offered to the licensed educational personnel. Money available for the program must not be used to negotiate the salaries of individual employees who participate in the program.

4. If the board of trustees of a school district wishes to receive a grant of money from the Grant Fund, the board of trustees shall submit to the Department an application on a form prescribed by the Department. The application must include a description of the program of incentive pay established by the school district.

5. The Superintendent of Public Instruction shall compile a list of the financial incentives recommended by each school district that submitted an application. On or before December 1 of each year, the Superintendent shall submit the list to the Interim Finance Committee for its approval of the recommended incentives.

6. After approval of the list of incentives by the Interim Finance Committee pursuant to subsection 5 and within the limits of money available in the Grant Fund, the Department shall provide grants of money to each school district that submits an application pursuant to subsection 4 based upon the amount of money that is necessary to carry out each program. If an insufficient amount of money is available to pay for each program submitted to the Department, the amount of money available must be distributed pro rata based upon the number of licensed employees who are estimated to be eligible to participate in the program in each school district that submitted an application.

7. ~~In no event may an individual teacher or school psychologist receive, in 1 school year, from the grant distributed to the school district an amount of money that is more than the amount which is necessary to purchase one fifth of a year of service for that teacher or school psychologist pursuant to subsection 2 of NRS 286.300.~~ An individual employee may not receive as a financial incentive pursuant to the program an amount of money that is more than \$3,500 per year.

8. The Department of Education shall, in consultation with representatives appointed by the Nevada Association of School Superintendents and the Nevada Association of School Boards, develop a formula for identifying at-risk schools for purposes of this section. The formula must be developed on or before July 1 of each year and include, without limitation, the following factors:

(a) The percentage of pupils who are eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.;

(b) The transiency rate of pupils;

(c) The percentage of pupils who are limited English proficient;

(d) The percentage of pupils who have individualized education programs;

(e) The percentage of pupils who score in the bottom two quarters on the mathematics portion or the reading portion, or both, of the high school proficiency examination; and

(f) The percentage of pupils who drop out of high school before graduation.

9. The board of trustees of each school district that receives a grant of money pursuant to this section shall evaluate the effectiveness of the program for which the grant was awarded. The evaluation must include, without limitation, an evaluation of whether the program is effective in recruiting and retaining the personnel as set forth in subsection 2. On or before December 1 of each year, the board of trustees shall submit a report of its evaluation to the:

(a) Governor;

(b) State Board;

(c) Interim Finance Committee;

(d) *If the report is submitted in an even-numbered year, Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature; and*

(e) *Legislative Committee on Education.*

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. NRS 286.3005 is hereby amended to read as follows:

286.3005 A state agency may purchase credit for service on behalf of a member only as provided in NRS 286.3007. Except as otherwise required as a result of NRS 286.537, ~~for 391.165,~~ any other public employer may pay any portion of the cost to purchase credit for service under NRS 286.300, but is not required to do so. No credit may be validated unless the cost of purchasing credit has been paid.

Sec. 8. NRS 391.165 is hereby repealed.

Sec. 9. 1. If a teacher or school psychologist entered into a contract or other agreement of employment with a school district before July 1, 2007, the board of trustees of the school district shall purchase one-fifth of a year of service for that employee pursuant to subsection 2 of NRS 286.300 if the employee qualified under the provisions of NRS 391.165. On or before August 1, 2007, the board of trustees of each school district shall notify each such employee that he may elect to participate in the program of incentive pay for licensed educational personnel established pursuant to section 4 of this act if he otherwise qualifies for participation in the program in lieu of the purchase of retirement service on behalf of the employee pursuant to NRS 391.165.

2. On or before October 1, 2007, each employee who was given notice pursuant to subsection 1 shall notify the school district whether he will participate in the program of incentive pay for licensed educational personnel in lieu of the purchase of retirement service on behalf of the employee pursuant to NRS 391.165, as that section existed on June 30, 2007.

3. If an employee elects to continue to receive the one-fifth of a year of service, the employee's participation in that program ceases when the employee has received, after his election, one full year of retirement service credit pursuant to that program. An employee's election to continue to receive the one-fifth of a year of service does not preclude the employee from participating in the program of incentive pay for licensed educational personnel established pursuant to section 4 of this act by the school district which employs him:

(a) After the employee's participation in the purchase of the retirement service credit program ceases; and

(b) If the employee is otherwise eligible to participate in the program established by the school district pursuant to section 4 of this act.

Sec. 10. Notwithstanding any other provision of law to the contrary, the money that is specifically designated for expenditure from the State Distributive School Account by the Legislature for the 2007-2009 biennium

pursuant to section 14 of Assembly Bill No. 627 of this Session to assist school districts with the purchase of service on behalf of employees of the school district pursuant to NRS 391.165, as that section existed on June 30, 2007, must be transferred to the Grant Fund for Incentives for Licensed Educational Personnel created by section 4 of this act.

Sec. 11. This act becomes effective on July 1, 2007.

TEXT OF REPEALED SECTION

391.165 Purchase of retirement credit for certain teachers and school psychologists.

1. Except as otherwise provided in subsection 3 and except as otherwise required as a result of NRS 286.537, the board of trustees of a school district shall pay the cost for a licensed teacher or licensed school psychologist to purchase one-fifth of a year of service pursuant to subsection 2 of NRS 286.300 if:

(a) The teacher or school psychologist is a member of the Public Employees' Retirement System and has at least 5 years of service;

(b) The teacher or school psychologist has been employed as a licensed teacher or licensed school psychologist in this State for at least 5 consecutive school years, regardless of whether the employment was with one or more school districts in this State;

(c) Each evaluation of the teacher or school psychologist conducted pursuant to NRS 391.3125 is at least satisfactory for the years of employment required by paragraph (b); and

(d) In addition to the years of employment required by paragraph (b):

(1) The teacher has been employed as a licensed teacher for 2 school years at a school within the school district during his employment at the school:

(I) Which carried the designation of demonstrating need for improvement; or

(II) At which at least 65 percent of the pupils who are enrolled in the school are children who are at risk;

(2) The teacher holds an endorsement in the field of mathematics, science, special education or English as a second language and has been employed for at least 1 school year to teach in the subject area for which he holds an endorsement; or

(3) The school psychologist has been employed as a licensed school psychologist for at least 1 school year.

↪ The provisions of this paragraph do not require consecutive years of employment or employment at the same school within the school district.

2. Except as otherwise provided in subsection 3, the board of trustees of a school district shall pay the cost for a licensed teacher or school psychologist to purchase one-fifth of a year of service for each year that a teacher or school psychologist satisfies the requirements of subsection 1. If, in 1 school year, a teacher satisfies the criteria set forth in both subparagraphs (1) and (2) of paragraph (d) of subsection 1, the school district

in which the teacher is employed is not required to pay for more than one-fifth of a year of service pursuant to subsection 2 of NRS 286.300 for that school year.

3. In no event may the years of service purchased by a licensed teacher or school psychologist as a result of subsection 2 of NRS 286.300 exceed 5 years.

4. The board of trustees of a school district shall not:

(a) Assign or reassign a licensed teacher or school psychologist to circumvent the requirements of this section.

(b) Include as part of a teacher's or school psychologist's salary the costs of paying the teacher or school psychologist to purchase service pursuant to this section.

5. As used in this section:

(a) A child is "at risk" if he is eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.

(b) "Service" has the meaning ascribed to it in NRS 286.078.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Raggio moved that Assembly Bill No. 89 be taken from the General File and placed on the General File on the next agenda.

Remarks by Senator Raggio.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 563.

Bill read third time.

Remarks by Senator Raggio.

Roll call on Assembly Bill No. 563:

YEAS—21.

NAYS—None.

Assembly Bill No. 563 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Raggio moved to suspend Joint Standing Rule No. 9.5, which allows the Senate and Assembly to continue to conduct business until 1 a.m. Daylight Savings Time.

Remarks by Senator Raggio.

Motion carried.

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 185.

The following Assembly amendment was read:

Amendment No. 1157.

"SUMMARY—Revises provisions governing the Commission on Educational Excellence. (BDR 34-426)"

"AN ACT relating to education; revising provisions governing the award of grants from the Account for Programs for Innovation and the Prevention of Remediation by the Commission on Educational Excellence; requiring the Commission to report certain information concerning allocations from the Account; revising provisions governing the use of money in the Account; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Under existing law, the Commission on Educational Excellence is required to establish a program of educational excellence for pupils enrolled in kindergarten through grade 6 in public schools. The Commission is authorized to allocate grants of money from the Account for Programs for Innovation and the Prevention of Remediation in the State General Fund to school districts and public schools for certain programs designed for the achievement of pupils and for innovative programs. (NRS 385.3781-385.379)

Section 2 of this bill requires the Commission to establish guidelines for reviewing, evaluating and approving applications for grants of money from the Account. Section 2 directs that the guidelines include consideration of the list of priorities of schools provided to the Commission by the Department of Education and revises the contents of that list. Section 2 also requires each school district to provide assistance, upon the request of a public school within the school district, in the development of an application for a grant. Section 2 provides that the Commission shall not award a grant of money from the Account for a program of full-day kindergarten. Section 3 of this bill identifies specific information relating to allocations from the Account that the Commission is required to include in its annual report on the Account.

Section 4 of this bill places a limitation on the amount of money that may be expended from the Account each biennium for expenses incurred by members of the Commission to travel to the school districts and schools that receive allocations from the Account. Section 4 also authorizes the Commission to spend a maximum amount of money from the Account each biennium for: (1) the costs incurred by the Commission to hold meetings and conferences for recipients of allocations from the Account to discuss or display effective programs, practices and strategies; and (2) an evaluation of the programs that received allocations from the Account by an independent consultant.

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

Section 1. NRS 385.3784 is hereby amended to read as follows:

385.3784 1. The Commission on Educational Excellence, consisting of nine members is hereby created. The Superintendent of Public Instruction shall serve as an ex officio voting member of the Commission. The Governor shall appoint the following members to the Commission:

(a) Three teachers, two of whom have experience in providing instruction at public elementary schools and who have been successful in school improvement efforts and one of whom has experience in providing instruction at secondary schools and who has been successful in school improvement efforts;

(b) Two principals, one of whom has experience in administering successful school improvement efforts at an elementary school and one of whom has experience in administering successful school improvement efforts at a secondary school;

(c) Two school district administrators, one of whom is employed by a school district in a county whose population is less than 100,000 and one of whom is employed by a school district in a county whose population is 100,000 or more; and

(d) One parent or legal guardian of a pupil enrolled in a public school in this State. The parent must not be employed by the board of trustees of a school district or the governing body of a charter school.

↪ One or more of the members appointed pursuant to this subsection may be retired from employment, but those retired members that are appointed must have been employed with a public school in this State in the immediately preceding 5 years.

2. The Governor may solicit recommendations for appointments pursuant to this section from the Nevada State Education Association, the Nevada Association of School Administrators, a statewide organization for parents of pupils, the Statewide Council for the Coordination of the Regional Training Programs and other organizations and entities related to education in this State. The Governor may consider the recommendations submitted and may make appointments from those recommendations. The Governor shall appoint a Chairman from among the members he appoints.

3. After the initial terms, the term of each appointed member of the Commission is 2 years, commencing on January 1 of the year in which he is appointed and expiring on December 31 of the immediately following year. A member shall continue to serve on the Commission until his successor is appointed. Upon the expiration of a term of a member, he may be reappointed if he still possesses any requisite qualifications for appointment. There is no limit on the number of terms that a member may serve.

4. The Commission shall hold at least four regular meetings each year and may hold special meetings at the call of the Chairman.

5. Members of the Commission serve without compensation, except that for each day or portion of a day during which a member of the Commission attends a meeting of the Commission or is otherwise engaged in the business of the Commission, he is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally. ~~[The]~~ *Except as limited by paragraph (a) of subsection 3 of NRS 385.379, the per diem allowances and travel expenses must be paid from the Account and accounted for separately in that Account. In addition, money in the Account may be used to pay compensation necessary for the employment of substitute teachers who are hired on those days when a member of the Commission attends a meeting of the Commission or is otherwise engaged in the business of the Commission.*

6. The Department shall provide:

- (a) Administrative support;
- (b) Equipment; and
- (c) Office space,

↪ as is necessary for the Commission to carry out its duties.

7. The Legislative Counsel Bureau:

- (a) Must be provided with adequate notice of each meeting of the Commission; and
- (b) Shall provide, as requested by the Committee, technical expertise and assistance to the Commission.

Sec. 2. NRS 385.3785 is hereby amended to read as follows:

385.3785 1. The Commission shall:

(a) Establish a program of educational excellence designed exclusively for pupils enrolled in kindergarten through grade 6 in public schools in this State based upon:

(1) The plan to improve the achievement of pupils prepared by the State Board pursuant to NRS 385.34691;

(2) The plan to improve the achievement of pupils prepared by the board of trustees of each school district pursuant to NRS 385.348;

(3) The plan to improve the achievement of pupils prepared by the principal of each school pursuant to NRS 385.357, which may include a program of innovation; and

(4) Any other information that the Commission considers relevant to the development of the program of educational excellence.

(b) Identify programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

(c) Develop a concise application and simple procedures for the submission of applications by ~~[school districts and]~~ public schools, ~~[]~~ and a consortium of public schools, including, without limitation, charter schools, for participation in a program of educational excellence and for grants of money from the Account. Grants of money must be made for programs designed for the achievement of pupils that are linked to the plan to improve the achievement of pupils or for innovative programs, or both. *The*

Commission shall not award a grant of money from the Account for a program to provide full-day kindergarten. All ~~[school districts and]~~ public schools ~~[,]~~ and a consortium of public schools, including, without limitation, charter schools, are eligible to submit such an application, regardless of whether the ~~[school district or school has]~~ schools have made adequate yearly progress or failed to make adequate yearly progress. A ~~[school district or]~~ public school or a consortium of public schools selected for participation may be approved by the Commission for participation for a period not to exceed 2 years, but may reapply.

(d) Prescribe a long-range timeline for the review, approval and evaluation of applications received from ~~[school districts and]~~ public schools and consortiums of public schools that desire to participate in the program.

(e) *Establish guidelines for the review, evaluation and approval of applications for grants of money from the Account, including, without limitation, consideration of the list of priorities of schools provided by the Department pursuant to subsection 4. ~~[[[~~ To ensure consistency in the review, evaluation and approval of applications, if the guidelines authorize the review and evaluation of applications by less than the entire membership of the Commission, money must not be allocated from the Account for a grant until the entire membership of the Commission has reviewed and approved the application for the grant.*

(f) Prescribe accountability measures to be carried out by a ~~[school district or]~~ public school that participates in the program if that ~~[school district or]~~ public school does not meet the annual measurable objectives established by the State Board pursuant to NRS 385.361, including, without limitation:

(1) The specific levels of achievement expected of ~~[school districts and]~~ schools that participate; and

(2) Conditions for ~~[school districts and]~~ schools that do not meet the grant criteria but desire to continue participation in the program and receive money from the Account, including, without limitation, a review of the leadership at the school and recommendations regarding changes to the appropriate body.

~~[[[~~ (g) Determine the amount of money that is available from the Account for those ~~[school districts and]~~ public schools that are selected to participate in the program.

~~[[[~~ (h) Allocate money to ~~[school districts and]~~ public schools from the Account. Allocations must be distributed not later than August 15 of each year.

~~[[[~~ (i) Establish criteria for ~~[school districts and]~~ public schools that participate in the program and receive an allocation of money from the Account to evaluate the effectiveness of the allocation in improving the achievement of pupils, including, without limitation, a detailed analysis of:

(1) The achievement of pupils enrolled at each school that received money from the allocation based upon measurable criteria identified in the

plan to improve the achievement of pupils for the school prepared pursuant to NRS 385.357;

(2) ~~If applicable, the achievement of pupils enrolled in the school district as a whole, based upon measurable criteria identified in the plan to improve the achievement of pupils for the school district prepared pursuant to NRS 385.348;~~

(3) ~~If applicable, the effectiveness of the program of innovation on the achievement of pupils and the overall effectiveness for pupils and staff;~~

~~((4))~~ (3) The implementation of the applicable plans for improvement, including, without limitation, an analysis of whether the ~~school district or the~~ school is meeting the measurable objectives identified in the plan; and

~~((5))~~ (4) The attainment of measurable progress on the annual list of adequate yearly progress of school districts and schools.

2. To the extent money is available, the Commission shall make allocations of money to ~~school districts and~~ public schools and consortiums of public schools for effective programs for grades 7 through 12 that are designed to improve the achievement of pupils and effective programs of innovation for pupils. In making such allocations, the Commission shall comply with the requirements of subsection 1.

3. If a ~~school district or~~ public school that receives money pursuant to subsection 1 or 2 ~~does~~ :

(a) Does not meet the criteria for effectiveness as prescribed in paragraph ~~((b))~~ (i) of subsection 1 ;

(b) Does not, as a result of the program for which the grant of money was awarded, show improvement in the achievement of pupils, as determined in an evaluation conducted pursuant to subsection 3 of NRS 385.379; or

(c) Does not implement the program for which the money was received, as determined in an evaluation conducted pursuant to subsection 3 of NRS 385.379.

↪ over a 2-year period, the Commission may consider not awarding future allocations of money to that ~~school district or~~ public school ~~or~~ consortium of public schools.

4. On or before July 1 of each year, the Department shall provide a list of priorities of schools ~~based upon the~~ that indicates:

(a) The adequate yearly progress status of schools in the immediately preceding year ; and

(b) The schools that are considered Title I eligible by the Department based upon the poverty level of the pupils enrolled in a school in comparison to the poverty level of the pupils in the school district as a whole,

↪ for consideration by the Commission in its development of procedures for the applications.

5. A public school, including, without limitation, a charter school, or a consortium of public schools may request assistance from the school district in which the school is located in preparing an application for a grant of money pursuant to this section. A school district shall assist each public

school or consortium of public schools that requests assistance pursuant to this subsection to ensure that the application of the school:

(a) Is based directly upon the plan to improve the achievement of pupils prepared for the school pursuant to NRS 385.357;

(b) Is developed in accordance with the criteria established by the Commission; and

(c) ~~Contains a reasonable request for money that is logically connected to the program for which the money is being requested; and~~

(d) ~~Does not duplicate the programs or services already available to the school through the school district.~~ Is complete and complies with all technical requirements for the submission of an application.

↪ A school district may make recommendations to the individual schools and consortiums of schools. Such schools and consortiums of schools are not required to follow the recommendations of a school district.

6. In carrying out the requirements of this section, the Commission shall review and consider the programs of remedial study adopted by the Department pursuant to NRS 385.389, the list of approved providers of supplemental services maintained by the Department pursuant to NRS 385.384 and the recommendations submitted by the Committee pursuant to NRS 218.5354 concerning programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

7. If a consortium of public schools is formed for the purpose of submitting an application pursuant to this section, the public schools within the consortium do not need to be located within the same school district.

Sec. 2.5. NRS 385.3787 is hereby amended to read as follows:

385.3787 1. A ~~[school district or]~~ public school *or consortium of public schools* that receives an allocation of money from the Account shall:

(a) Account for the money separately;

(b) Use the money to supplement and not replace the money that would otherwise be expended by the school district or public school for the achievement of pupils in kindergarten through grade 6 or pupils in grades 7 through 12, as applicable; and

(c) Submit an evaluation of the effectiveness of the allocation in improving the achievement of pupils in kindergarten through grade 6 or pupils in grades 7 through 12, as applicable, in accordance with the criteria for evaluation established by the Commission pursuant to NRS 385.3785.

2. A ~~[school district or]~~ public school *or consortium of schools* that receives an allocation of money from the Account shall not:

(a) Use the money to settle or arbitrate disputes or negotiate settlements between an organization that represents licensed employees of the school district or public school and the school district or public school, as applicable.

(b) Use the money to adjust the schedules of salaries and benefits of the employees of the school district or public school, as applicable.

Sec. 3. NRS 385.3789 is hereby amended to read as follows:

385.3789 1. The Commission shall prepare an annual report that describes the distribution of money to the ~~school districts and~~ public schools and consortiums of public schools and the programs for which money was allocated from the Account ~~[-]~~, *including, without limitation, the total amount of money allocated:*

(a) To each ~~school district,~~ consortium of public schools, with a designation of which public schools are included in each consortium;

(b) To each public school;

(c) To schools included on the list of priorities of schools provided by the Department pursuant to NRS 385.3785;

(d) For programs that provide services directly to pupils for remediation and innovation, including, without limitation, instruction, instructional materials and support materials;

(e) For programs that provide instructional support and have an indirect effect on pupils, including, without limitation, the provision of professional development for educational personnel and the employment of administrators; and

(f) For each program, including, without limitation:

(1) A description of the program, including, without limitation, whether the program is available commercially;

(2) Whether the Commission considers the program to be innovative;

(3) Whether the program includes the provision of professional development other than professional development that is related to carrying out a program that provides services directly to pupils;

(4) The costs to implement the program; and

(5) The full-time personnel necessary to implement the program, if any.

↪ The report must be submitted on or before September 1 of each year to the entities identified in subsection 3.

2. The Commission shall:

(a) Prepare an annual report that describes:

(1) The activities of the Commission;

(2) An analysis of the progress of the ~~school districts and~~ public schools in carrying out the plans to improve the achievement of pupils; and

(3) An analysis of the progress of the ~~school district and~~ public schools that received an allocation of money from the Account in improving the achievement of pupils.

(b) Submit the report on or before January 31 of each year to the entities identified in subsection 3.

3. The Commission shall submit the reports required by this section to the:

(a) State Board;

(b) Governor;

(c) Committee;

(d) Bureau;

- (e) Interim Finance Committee; and
- (f) Board of trustees of each school district.

4. The Legislative Auditor shall audit biennially the programs for which schools and consortiums of schools receive an allocation of money. The audit may include a representative sample of programs, based upon geographic location and type of program. The Legislative Auditor shall report the results of each biennial audit to the entities prescribed in subsection 3.

Sec. 4. NRS 385.379 is hereby amended to read as follows:

385.379 1. The Account for Programs for Innovation and the Prevention of Remediation is hereby created in the State General Fund, to be administered by the Superintendent of Public Instruction. The Superintendent of Public Instruction may accept gifts and grants of money from any source for deposit in the Account. Any money from gifts and grants may be expended in accordance with the terms and conditions of the gift or grant, or in accordance with subsection 2 ~~[]~~ or 3. The interest and income earned on the money in the Account must be credited to the Account. Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.

2. ~~[The]~~ Except as otherwise provided in NRS 385.3784 and subsection 3, the money in the Account may only be used for the allocation of money to ~~[school districts and]~~ public schools and consortiums of public schools whose applications are approved by the Commission pursuant to NRS 385.3785.

3. Upon the request of the Commission:

(a) Not more than \$50,000 in the Account may be used each biennium to pay:

(1) The expenses incurred by members of the Commission to travel to the ~~[school districts and]~~ public schools and consortiums of public schools that received allocations of money from the Account; and

(2) The costs incurred by the Commission to hold meetings or conferences for representatives of ~~[school districts and]~~ public schools and consortiums of schools that received allocations of money from the Account to discuss or display, or both, programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

(b) Not more than \$450,000 in the Account may be used each biennium to pay for an evaluation of the programs for which money was allocated from the Account. If the Commission uses money in the Account for such an evaluation, the Commission shall ensure that:

(1) A request for proposals is issued and a qualified, independent consultant is selected to conduct the evaluation;

(2) Upon selection of the consultant, the Commission receives approval of the consultant and the plan for the evaluation from the Committee;

(3) *The evaluation is designed to determine the effectiveness of the programs for which money was allocated from the Account in improving achievement of pupils; ~~and~~*

(4) *The evaluation includes an identification of the programs for which money was allocated from the Account that did not improve the achievement of pupils as described in the approved application for the grant;*

(5) *The evaluation includes an identification of the public schools and consortiums of public schools that did not implement the programs for which money was allocated from the Account as described in the approved application for the grant; and*

(6) *The evaluation includes a compilation and review of each evaluation required to be submitted by ~~school districts and~~ public schools and consortiums of public schools pursuant to NRS 385.3787.*

Sec. 5. This act becomes effective on July 1, 2007.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 185.

Remarks by Senator Raggio.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 437.

The following Assembly amendment was read:

Amendment No. 1146.

"SUMMARY—Revises provisions concerning ~~generation and consumption of energy;~~ *economic and energy development.* (BDR 58-232)"

"AN ACT relating to *economic and energy* ~~replacing the Solar Energy Systems Demonstration Program Act with~~ *development; enacting the Solar Energy Systems Incentive Program,* ~~which provides incentives to certain participants and utilities for energy created from various solar energy systems; providing for~~ the Renewable Energy School Pilot Program ~~which encourages the development of and determines the feasibility for renewable energy systems on public school properties;~~ *and the Wind and Waterpower Energy Systems Demonstration Program Acts;* establishing a new program for evaluating the energy consumption of residential property; revising legislative findings concerning energy conservation and energy requirements; ~~allocating a portion of the unspent money in the Fund for Energy Assistance and Conservation for a program for improving energy conservation and energy efficiency in residential property;~~ requiring certain electric utilities to make quarterly rate adjustments; requiring the creation of various methods and programs to remove financial disincentives that may discourage energy conservation by various public utilities that purchase natural gas for resale; ~~making various changes relating to the definition of "net metering system"; making various changes relating to offers of net metering to customer generators; making various changes relating to calculations of net energy measurements concerning net metering systems; changing the~~

~~definition of "energy efficiency measure," as regards certain persons or entities that sell electricity to retail customers; changing the amount of electricity required to be generated, acquired or saved from solar renewable energy systems, as regards certain persons or entities that sell electricity to retail customers; making various changes relating to the definition of "utility facility" as it relates to the construction of utility facilities and environmental conservation;]~~ revising various provisions governing utility resource planning and the portfolio standard for providers of electric service; requiring certain residential properties for sale to be evaluated based on energy consumption and requiring that certain evaluations be provided to purchasers of those properties; ~~enacting the Wind Energy Systems Demonstration Program Act, which provides incentives to certain participants and utilities for energy created from various wind energy systems; enacting the Waterpower Energy Systems Demonstration Program Act, which provides incentives to certain participants and utilities for energy created from various waterpower energy systems;]~~ revising various provisions governing partial abatements of certain taxes by the Commission on Economic Development; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Assembly Bill No. 7 of this session superseded by statute the holding of the Nevada Supreme Court in Nevada Power Company v. Public Utilities Commission of Nevada, 122 Nev. Adv. Op. 72 (2006), and established as the public policy of this State that in proceedings involving deferred energy accounting by a public utility, there is no presumption that the public utility's practices and transactions were reasonable or prudent and the public utility has the burden of proving reasonableness and prudence in such proceedings. (Chapter 163, Statutes of Nevada 2007) Section 1 of this bill provides that in amending NRS 704.110 and 704.187 to allow for quarterly rate adjustments and annual deferred energy accounting adjustment applications by certain electric utilities, this bill is not intended to repeal the provisions of Assembly Bill No. 7 either expressly or by implication.

Under the Solar Energy Systems Demonstration Program Act, certain entities, such as schools and public agencies, which install solar energy systems are entitled to participate in a demonstration program and receive incentives for such participation. (Chapter 331, Statutes of Nevada 2003, p. 1868) The Solar Energy Systems Demonstration Program Act expires by limitation on June 30, 2010. (Chapter 2, Statutes of Nevada 2005, 22nd Special Session, p. 90)

Sections ~~1-29~~ 1.5-29, 108 and 112 of this bill replace the Solar Energy Systems Demonstration Program Act with a new chapter of NRS which provides for the Solar Energy Systems Incentive Program. The Solar Energy Systems Incentive Program provides incentives to certain participants and utilities for energy created from various solar energy systems.

Section 30 of this bill provides for the Renewable Energy School Pilot Program. The goal of the Program is to encourage the development of and determine the feasibility for renewable energy systems on public school properties.

Sections 62-86 of this bill enact the Wind Energy Systems Demonstration Program Act. The Wind Energy Systems Demonstration Program Act provides incentives to certain participants and utilities for energy created from various wind energy systems. Under this bill, the Wind Energy Systems Demonstration Program Act expires by limitation on June 30, 2011.

Sections 87-106 of this bill enact the Waterpower Energy Systems Demonstration Program Act. The Waterpower Energy Systems Demonstration Program Act provides incentives to certain participants and utilities for energy created from various waterpower energy systems. Under this bill, the Waterpower Energy Systems Demonstration Program Act expires by limitation on June 30, 2011.

Existing law provides various requirements relating to the sale of residential property. (NRS 113.100-113.150, 645.230-645.321) Sections 31 ~~to 33-35~~ and 50 of this bill: (1) establish a new program for evaluating the energy consumption of residential property; ~~[(2) allocate a portion of the unspent money in the Fund for Energy Assistance and Conservation for a program of improving energy conservation and energy efficiency in residential property; and (3)]~~ *and (2)* require certain residential properties for sale to be evaluated based on energy consumption and require that such evaluations and ratings be provided to purchasers of those properties.

Existing law contains legislative findings concerning energy conservation and energy requirements. (NRS 701.010) Sections 32 and 38 of this bill accomplish two things. First, they revise those findings in relation to public utilities. Second, they require the creation of various methods and programs which will remove financial disincentives that discourage energy conservation by various public utilities that purchase natural gas for resale.

Existing law allows for quarterly rate adjustments for a public utility which purchases natural gas for resale. (NRS 704.110) Sections 36, 37, 39-43 and 51 of this bill require certain electric utilities to ~~also make such~~ *make* quarterly rate adjustments ~~and to file annual deferred energy accounting adjustment applications.~~

~~Existing law provides for requirements relating to electric utilities and net metering systems. (NRS 704.766-704.775) Existing law also provides for requirements relating to the construction of utility facilities and environmental conservation as cited in the Utility Environmental Protection Act. (NRS 704.820-704.900) Sections 44-46 and 49 of this bill make various changes relating to the definition of "net metering system," offers of net metering to customer generators, calculations relating to net energy measurements as regards net metering systems, and the definition of "utility facility" as it relates to the construction of utility facilities and environmental conservation.]~~

Existing law requires certain electric utilities to develop long-term resource plans. (NRS 704.741-704.751) Section 43.5 of this bill requires such utilities to include in their long-term resource plans an energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel.

Existing law requires certain persons or entities that sell electricity to retail customers to generate, acquire or save various amounts of electricity through renewable energy systems or efficiency measures. (NRS 704.7801-704.7828) Sections 47 and 48 of this bill change the definition of "energy efficiency measure" and the amount of electricity required to be generated, acquired or saved from solar renewable energy systems.

Existing law authorizes the Commission on Economic Development to approve partial abatements of certain taxes imposed on new or expanded businesses, including businesses that use renewable energy or recycled material to generate electricity. (NRS 360.750, 361.0685, 361.0687, 374.357) Sections 51.3, 51.7 and 112.5 of this bill require a business that receives such a partial abatement to: (1) allow the Department of Taxation to conduct audits of the business to determine whether it is in compliance with the requirements for the partial abatement; and (2) consent to the disclosure of the audit reports to the Commission on Economic Development and to the public with certain limited exceptions.

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

Section 1. The Legislature hereby finds and declares that:

1. Assembly Bill No. 7 of this session was enacted into law as chapter 163, Statutes of Nevada 2007, and became effective upon passage and approval on May 29, 2007.

2. Assembly Bill No. 7 established as the public policy of this State that in proceedings involving deferred energy accounting where a public utility seeks to recover from its ratepayers costs recorded in its deferred accounts pursuant to NRS 704.185 or 704.187, it is just and reasonable to require a public utility to prove that the costs recorded in its deferred accounts were incurred prudently. Therefore, to ensure that ratepayers do not pay for costs incurred as a result of any practices or transactions that were undertaken, managed or performed imprudently, the public utility should have the burden of proving that its practices and transactions were reasonable and prudent.

3. In Nevada Power Company v. Public Utilities Commission of Nevada, 122 Nev. Adv. Op. 72 (2006), the Nevada Supreme Court held that, in the absence of a statute to the contrary, the controlling procedure in proceedings involving deferred energy accounting is the rebuttable presumption of prudence adopted by the Public Utilities Commission of Nevada in the 1986 rate case of Re Nevada Power Company, 74 Pub. Util. Rep. 4th 703 (Nev. Pub. Serv. Comm'n May 30, 1986).

4. Assembly Bill No. 7 was enacted to supersede the holding of the Nevada Supreme Court in Nevada Power Company v. Public Utilities

Commission of Nevada, 122 Nev. Adv. Op. 72 (2006), to the extent that the Court determined that the rebuttable presumption of prudence is the controlling procedure in proceedings involving deferred energy accounting.

5. With regard to electric utilities that engage in deferred energy accounting, the provisions of this act amend NRS 704.110 and 704.187 to provide for quarterly rate adjustments and annual deferred energy accounting adjustment applications by such electric utilities. In amending NRS 704.110 and 704.187, the Legislature does not intend to repeal either expressly or by implication the provisions of Assembly Bill No. 7 which supersede the holding of the Nevada Supreme Court in Nevada Power Company v. Public Utilities Commission of Nevada, 122 Nev. Adv. Op. 72 (2006). Therefore, to effectuate the public policy of this State as enacted by Assembly Bill No. 7:

(a) For proceedings involving annual deferred energy accounting adjustment applications, the provisions of this act expressly provide that there is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs of purchased fuel and purchased power included in any quarterly rate adjustment or the annual deferred energy accounting adjustment application, and the electric utility has the burden of proving reasonableness and prudence in such proceedings.

(b) For all other proceedings involving deferred energy accounting, the provisions of this act do not repeal the provisions of Assembly Bill No. 7 either expressly or by implication and those proceedings remain subject to the provisions of Assembly Bill No. 7, notwithstanding the provisions of this act amending NRS 704.110 and 704.187.

~~[Section 1.]~~ Sec. 1.5. Title 58 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 30, inclusive, of this act.

Sec. 2. The provisions of sections 2 to 29, inclusive, of this act apply to the Solar Energy Systems Incentive Program.

Sec. 3. As used in sections 2 to 29, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 4 to 19, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 4. "Applicant" means a person who is applying to participate in the Solar Program.

Sec. 5. "Category" means one of the categories of participation in the Solar Program as set forth in section 23 of this act.

Sec. 6. "Commission" means the Public Utilities Commission of Nevada.

Sec. 7. "Institution of higher education" means:

1. A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; or

2. A postsecondary educational institution, as defined in NRS 394.099, or any other institution of higher education.

Sec. 8. "Owned, leased or occupied" includes, without limitation, any real property, building or facilities which are owned, leased or occupied

under a deed, lease, contract, license, permit, grant, patent or any other type of legal authorization.

Sec. 9. *"Participant" means a person who has been selected by the ~~Commission~~ Task Force to participate in the Solar Program.*

Sec. 10. *"Person" includes, without limitation, a public entity.*

Sec. 11. *"Program year" means the period of July 1 to June 30 of the following year.*

Sec. 12. 1. *"Public and other property" means any real property, building or facilities which are owned, leased or occupied by:*

(a) A public entity;

(b) A nonprofit organization that is recognized as exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), as amended; or

(c) A corporation for public benefit as defined in NRS 82.021.

2. *The term includes, without limitation, any real property, building or facilities which are owned, leased or occupied by:*

(a) A church; or

(b) A benevolent, fraternal or charitable lodge, society or association.

3. *The term does not include school property.*

Sec. 13. *"Public entity" means a department, agency or instrumentality of the State or any of its political subdivisions.*

Sec. 14. *"School property" means any real property, building or facilities which are owned, leased or occupied by:*

1. A public school as defined in NRS 385.007;

2. A private school as defined in NRS 394.103; or

3. An institution of higher education.

Sec. 15. *"Small business" means a business conducted for profit which employs 500 or fewer full-time or part-time employees.*

Sec. 16. *"Solar energy system" means a facility or energy system that uses photovoltaic cells and solar energy to generate electricity.*

Sec. 17. *"Solar Program" means the Solar Energy Systems Incentive Program created by section 23 of this act.*

Sec. 18. *"Task Force" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.*

Sec. 19. *"Utility" means a public utility that supplies electricity in this State.*

Sec. 20. *The Commission shall adopt regulations necessary to carry out the provisions of sections 2 to 29, inclusive, of this ~~chapter~~ act, including, without limitation, regulations that establish:*

1. The type of incentives available to participants in the Solar Program and the level or amount of those incentives;

2. The requirements for a utility's annual plan for carrying out and administering the Solar Program. A utility's annual plan must include, without limitation:

(a) A detailed plan for advertising the Solar Program;

(b) *A detailed budget and schedule for carrying out and administering the Solar Program;*

(c) *A detailed account of administrative processes and forms that will be used to carry out and administer the Solar Program, including, without limitation, a description of the application process and copies of all applications and any other forms that are necessary to apply for and participate in the Solar Program;*

(d) *A detailed account of the procedures that will be used for inspection and verification of a participant's solar energy system and compliance with the Solar Program;*

(e) *A detailed account of training and educational activities that will be used to carry out and administer the Solar Program; and*

(f) *Any other information required by the Commission.*

Sec. 21. ~~In consultation with the Task Force, the~~ The Commission shall adopt regulations that establish:

1. *The qualifications and requirements an applicant must meet to be eligible to participate in each applicable category of:*

(a) *School property;*

(b) *Public and other property; and*

(c) *Private residential property and small business property; and*

2. *The form and content of the master application which a utility must submit to the ~~(Commission)~~ Task Force pursuant to section 24 of this act.*

Sec. 22. 1. *Each year on or before the date established by the Commission, a utility shall file with the Commission its annual plan for carrying out and administering the Solar Program within its service area for a program year.*

2. *The Commission shall:*

(a) *Review each annual plan filed by a utility for compliance with the requirements established by regulation of the Commission; and*

(b) *Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Solar Program.*

3. *A utility shall carry out and administer the Solar Program within its service area in accordance with the utility's annual plan as approved by the Commission.*

4. *A utility may recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with carrying out and administering the Solar Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.*

Sec. 23. 1. *The Solar Energy Systems Incentive Program is hereby created.*

2. *The Solar Program must have three categories as follows:*

(a) *School property;*

(b) *Public and other property; and*

(c) Private residential property and small business property.

3. To be eligible to participate in the Solar Program, a person must:

(a) Meet the qualifications established by the Commission pursuant to section 21 of this act;

(b) Submit an application to a utility and be selected by the ~~Commission~~ Task Force for inclusion in the Solar Program pursuant to sections 24 and 25 of this act;

(c) When installing the solar energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

(d) If the person will be participating in the Solar Program in the category of school property or public and other property, provide for the public display of the solar energy system, including, without limitation, providing for public demonstrations of the solar energy system and for hands-on experience of the solar energy system by the public.

Sec. 24. 1. If an applicant desires to participate in the Solar Program for a program year, the applicant must submit an application to a utility. If an applicant desires to participate in the category of school property or public and other property, the applicant may submit an application for multiple program years, not to exceed 5 years.

2. Each year on or before the date established by the Commission, a utility shall review each application submitted pursuant to subsection 1 to ensure that the applicant meets the qualifications and requirements to be eligible to participate in the Solar Program and submit to the ~~Commission~~ Task Force:

(a) The utility's recommendations as to which applications should be approved for participation in the Solar Program; and

(b) A master application containing all the applications recommended by the utility.

3. At any time after submitting an application to a utility, an applicant may install or energize his solar energy system if the solar energy system meets all applicable building codes and all applicable requirements of the utility as approved by the Commission. An applicant who installs or energizes his solar energy system under such circumstances remains eligible to participate in the Solar Program, and the installation or energizing of the solar energy system does not alter the applicant's status on the list of participants or the prioritized waiting list pursuant to section 25 of this act.

Sec. 25. 1. Except as otherwise provided in ~~subsection 2,~~ this section, the Commission may approve, for a program year, solar energy systems:

(a) Totaling ~~11,000~~ 2,000 kilowatts of capacity for school property;

(b) Totaling 760 kilowatts of capacity for public and other property; and

(c) Totaling 1,000 kilowatts of capacity for private residential property and small business property.

2. If the capacity allocated to any category for a program year is not fully subscribed by participants in that category, the Commission may, in any combination it deems appropriate:

(a) Allow a utility to submit additional applications to the Task Force from applicants who want to participate in that category; or

(b) Reallocate any of the unused capacity in that category to any of the other categories,

➔ but in no case may the sum of the allocated total capacities of all the categories be greater than ~~[2,760]~~ 3,760 kilowatts, which is the sum of the approvable total capacities of all the categories as described in subsection 1.

3. To promote the installation of solar energy systems on as many school properties as possible, the Commission may not approve for use in the Solar Program a solar energy system having a generating capacity of more than 50 kilowatts if the solar energy system is or will be installed on school property on or after July 1, 2007, unless the Commission determines that approval of a solar energy system with a greater generating capacity is more practicable for a particular school property.

4. After reviewing the master application submitted by a utility pursuant to section 24 of this act ~~f, to ensure~~ and ensuring that each applicant meets the qualifications and requirements to be eligible to participate in the Solar Program, the ~~[Commission]~~ Task Force shall:

(a) Within the limits of the capacity allocated to each category, select applicants to be participants in the Solar Program and place those applicants on a list of participants; and

(b) Select applicants to be placed on a prioritized waiting list to become participants in the Solar Program if any capacity within a category becomes available.

~~f4.7~~ 5. Not later than 30 days after the date on which the ~~[Commission]~~ Task Force selects an applicant to be on the list of participants or the prioritized waiting list, the utility which submitted the application to the ~~[Commission]~~ Task Force on behalf of the applicant shall provide written notice of the selection to the applicant.

~~f5.7~~ 6. After the ~~[Commission]~~ Task Force selects an applicant to be on the list of participants, the utility which submitted the application to the ~~[Commission]~~ Task Force on behalf of the applicant may approve the solar energy system proposed by the applicant. Except as otherwise provided in subsection 3 of section 24 of this act, immediately upon the utility's approval of the solar energy system, the applicant may install and energize the solar energy system.

Sec. 26. 1. Except as otherwise provided in this section, if the Commission determines that a participant has not complied with the requirements for participation in the Solar Program, the Commission shall, after notice and an opportunity for a hearing, withdraw the participant from the Solar Program.

2. *The Commission may, without notice or an opportunity for a hearing, withdraw from the Solar Program:*

(a) A participant in the category of private residential property and small business property, if the participant does not complete the installation of a solar energy system within 12 months after the date the participant receives written notice of his selection to participate in the Solar Program.

(b) A participant in the category of school property or public and other property, if the participant does not complete the installation of a solar energy system within 30 months after the date the participant receives written notice of his selection to participate in the Solar Program.

3. *A participant who is withdrawn from the Solar Program pursuant to subsection 2 forfeits any incentives.*

Sec. 27. *In adopting regulations for the Solar Program, the Commission shall adopt regulations establishing an incentive for participation in the Solar Program.*

Sec. 28. *If a solar energy system used by a participant in the Solar Program meets the requirements of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.*

Sec. 29. 1. *After a participant installs a solar energy system included in the Solar Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821.*

2. *The Commission shall designate the portfolio energy credits issued pursuant to this section as portfolio energy credits generated, acquired or saved from solar renewable energy systems for the purposes of the portfolio standard.*

3. *All portfolio energy credits issued for a solar energy system installed pursuant to the Solar Program must be assigned to and become the property of the utility administering the Program.*

Sec. 30. 1. *The Renewable Energy School Pilot Program is hereby created. The goal of the Program is to encourage the development of and determine the feasibility for the integration of renewable energy systems on school properties.*

2. *The Commission shall adopt regulations for the Program. Such regulations shall include, but not be limited to:*

(a) A time frame for implementation of the Program;

(b) The allowed renewable energy systems and combinations of such renewable energy systems on school property;

(c) The amount of capacity that may be installed at each school property that participates in the Program;

(d) A process by which a school district may apply for participation in the Program;

(e) Requirements for participation by a school district;

(f) *The type of transactions allowed between a renewable energy system generator, a school district and a utility;*

(g) *Incentives which may be provided to a school district or school property to encourage participation; and*

(h) *Such other parameters as determined by the Commission and are consistent with the development of renewable energy systems at school properties.*

3. *The Program shall be limited to 10 school properties. Not more than 6 school properties from any one school district may participate in the Program.*

4. *The Commission shall adopt the regulations necessary to implement the Program not later than March 1, 2008.*

5. *The Commission shall prepare a report detailing the results of the Program and shall submit the report to the Legislature by December 1, 2008.*

6. *As used in this section:*

(a) *"Commission" means the Public Utilities Commission of Nevada.*

(b) *"Owned, leased or occupied" includes, without limitation, any real property, building or facilities which are owned, leased or occupied under a deed, lease, contract, license, permit, grant, patent or any other type of legal authorization.*

(c) *"Renewable energy system" has the meaning ascribed to it in NRS 704.7815.*

(d) *"School district" has the meaning ascribed to it in NRS 395.0075.*

(e) *"School property" means any real property, building or facilities which are owned, leased or occupied by a public school as defined in NRS 385.007.*

(f) *"Utility" has the meaning ascribed to it in section 19 of this act.*

Sec. 31. Chapter 701 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Director shall adopt regulations establishing a program for evaluating the energy consumption of residential property in this State.*

2. *The regulations must include, without limitation:*

(a) *Standards for evaluating the energy consumption of residential property; and*

(b) *Provisions prescribing a form to be used pursuant to section 50 of this act, including, without limitation, provisions that require a portion of the form to provide information on ~~the program~~ programs of improving energy conservation and energy efficiency in residential property ~~created pursuant to section 23 of this act.~~*

3. *As used in this section:*

(a) *"Dwelling unit" means any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one person who maintains a household or by two or more persons who maintain a common household.*

(b) *"Residential property" means any land in this State to which is affixed not less than one or more than four dwelling units.*

Sec. 32. NRS 701.010 is hereby amended to read as follows:

701.010 1. The Legislature finds that:

(a) Energy is essential to the economy of the State and to the health, safety and welfare of the people of the State.

(b) The State has a responsibility to encourage the maintenance of a reliable and economical supply of energy at a level which is consistent with the protection of environmental quality.

(c) The State has a responsibility to encourage the utilization of a wide range of measures which reduce wasteful uses of energy resources.

(d) *The State and the public have an interest in encouraging public utilities to promote and take actions toward energy conservation.*

(e) Planning for energy conservation and future energy requirements should include consideration of state, regional and local plans for land use, urban expansion, transportation systems, environmental protection and economic development.

~~{(e)}~~ (f) Government and private enterprise need to accelerate research and development of sources of renewable energy and to improve technology related to the research and development of existing sources of energy.

~~{(f)}~~ (g) While government and private enterprise are seeking to accelerate research and development of sources of renewable energy, they must also prepare for and respond to the advent of competition within the electrical energy industry and are, therefore, encouraged to maximize the use of indigenous energy resources to the extent competitively and economically feasible.

~~{(g)}~~ (h) Prevention of delays and interruptions in providing energy, protecting environmental values and conserving energy require expanded authority and capability within State Government.

2. It is the policy of this State to encourage participation with all levels of government and private enterprise in cooperative state, regional and national programs to assure adequate supplies of energy resources and markets for such energy resources.

3. It is the policy of this State to assign the responsibility for managing and conserving energy and its sources to agencies whose other programs are similar, to avoid duplication of effort in developing policies and programs for energy.

Sec. 33. ~~[Chapter 702 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. At the beginning of a fiscal year, 50 percent of the money in the Fund which was allocated to the Division of Welfare and Supportive Services during the preceding fiscal year pursuant to NRS 702.260 and which remains unspent and unencumbered must be distributed to the Housing Division for a program of improving energy conservation and energy efficiency in residential property. The Housing Division may use not more than 6 percent~~

~~of the money distributed pursuant to this section for its administrative expenses.~~

~~2. Except as otherwise provided in NRS 702.150, after deduction for its administrative expenses, the Housing Division may use the money distributed pursuant to this section only to provide a qualified purchaser of residential property which has received a deficient evaluation on the energy consumption of the residential property pursuant to the program established in section 31 of this act with a grant to pay for improvements designed to increase the energy conservation and energy efficiency of the residential property or to assist an eligible household in acquiring such improvements.~~

~~3. To be eligible to receive assistance from the Housing Division pursuant to this section:~~

~~(a) The purchaser of the residential property must have a household income that is not more than 80 percent of the median gross family income for the county in which the property is located, based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for that county; and~~

~~(b) The residential property must not meet the standards for energy consumption established pursuant to section 31 of this act.~~

~~4. The Housing Division shall adopt regulations to carry out and enforce the provisions of this section.~~

~~5. In carrying out the provisions of this section, the Housing Division shall:~~

~~(a) Solicit advice from the Division of Welfare and Supportive Services and from other knowledgeable persons;~~

~~(b) Identify and implement appropriate delivery systems to distribute money from the Fund and to provide other assistance pursuant to this section;~~

~~(c) Coordinate with other federal, state and local agencies that provide energy assistance or conservation services to low income persons and, to the extent allowed by federal law and to the extent practicable, use the same simplified application forms as those other agencies;~~

~~(d) Encourage other persons to provide resources and services, including, to the extent practicable, schools and programs that provide training in the building trades and apprenticeship programs;~~

~~(e) Establish a process for evaluating the program conducted pursuant to this section;~~

~~(f) Develop a process for making changes to the program; and~~

~~(g) Engage in annual planning and evaluation processes with the Division of Welfare and Supportive Services as required by NRS 702.280.] (Deleted by amendment.)~~

Sec. 34. ~~[NRS 702.250 is hereby amended to read as follows:~~

~~702.250 1. There is hereby created as a special revenue fund in the State Treasury the Fund for Energy Assistance and Conservation. The Division of Welfare and Supportive Services shall administer the Fund.~~

~~2. In addition to the money that must be credited to the Fund from the universal energy charge, all money received from private or public sources to carry out the purposes of this chapter must be deposited in the State Treasury for credit to the Fund.~~

~~3. The Division shall, to the extent practicable, ensure that the money in the Fund is administered in a manner which is coordinated with all other sources of money that are available for energy assistance and conservation, including, without limitation, money contributed from private sources, money obtained from the Federal Government and money obtained from any agency or instrumentality of this State or political subdivision of this State.~~

~~4. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.~~

~~5. After deduction of any refunds paid from the Fund pursuant to NRS 702.160, the money in the Fund must be distributed pursuant to NRS 702.260 and 702.270 [.] and section 33 of this act.] (Deleted by amendment.)~~

Sec. 35. ~~[NRS 702.280 is hereby amended to read as follows:~~

~~702.280 1. The Division of Welfare and Supportive Services and the Housing Division jointly shall establish an annual plan to coordinate their activities and programs pursuant to this chapter. In preparing the annual plan, the Divisions shall solicit advice from knowledgeable persons. The annual plan must include, without limitation, a description of:~~

~~(a) The resources and services being used by each program and the efforts that will be undertaken to increase or improve those resources and services;~~

~~(b) The efforts that will be undertaken to improve administrative efficiency;~~

~~(c) The efforts that will be undertaken to coordinate with other federal, state and local agencies, nonprofit organizations and any private business or trade organizations that provide energy assistance or conservation services to low income persons;~~

~~(d) The measures concerning program design that will be undertaken to improve program effectiveness; and~~

~~(e) The efforts that will be taken to address issues identified during the most recently completed annual evaluation conducted pursuant to subsection 2.~~

~~2. The Division of Welfare and Supportive Services and the Housing Division jointly shall:~~

~~(a) Conduct an annual evaluation of the programs that each Division carries out pursuant to NRS 702.260 and 702.270 [.] and section 33 of this act;~~

~~(b) Solicit advice from the Commission as part of the annual evaluation; and~~

~~(e) Prepare a report concerning the annual evaluation and submit the report to the Governor, the Legislative Commission and the Interim Finance Committee.~~

~~3. The report prepared pursuant to subsection 2 must include, without limitation:~~

- ~~(a) A description of the objectives of each program;~~
- ~~(b) An analysis of the effectiveness and efficiency of each program in meeting the objectives of the program;~~
- ~~(c) The amount of money distributed from the Fund for each program and a detailed description of the use of that money for each program;~~
- ~~(d) An analysis of the coordination between the Divisions concerning each program; and~~
- ~~(e) Any changes planned for each program.] (Deleted by amendment.)~~

Sec. 36. NRS 703.130 is hereby amended to read as follows:

703.130 1. The Commission shall appoint a Deputy Commissioner who shall serve in the unclassified service of the State.

2. The Commission shall appoint a Secretary who shall perform such administrative and other duties as are prescribed by the Commission. The Commission shall also appoint an Assistant Secretary.

3. The Commission may employ such other clerks, experts or engineers as may be necessary.

4. Except as otherwise provided in subsection 5, the Commission:

(a) May appoint one or more hearing officers for a period specified by the Commission to conduct proceedings or hearings that may be conducted by the Commission pursuant to NRS 702.160 and 702.170 and chapters 704, 704A, 704B, 705, 708 and 711 of NRS.

(b) Shall prescribe by regulation the procedure for appealing a decision of a hearing officer to the Commission.

5. The Commission shall not appoint a hearing officer to conduct proceedings or hearings:

(a) In any matter pending before the Commission pursuant to NRS 704.7561 to 704.7595, inclusive; or

(b) In any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which an electric utility has filed a general rate application or an *annual deferred energy accounting adjustment* application. ~~[to clear its deferred accounts.]~~

6. As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 37. NRS 703.320 is hereby amended to read as follows:

703.320 Except as otherwise provided in ~~[subsection 8]~~ *subsections 8 and 9* of NRS 704.110:

1. In any matter pending before the Commission, if a hearing is required by a specific statute or is otherwise required by the Commission, the Commission shall give notice of the pendency of the matter to all persons entitled to notice of the hearing. The Commission shall by regulation specify:

- (a) The manner of giving notice in each type of proceeding; and
- (b) The persons entitled to notice in each type of proceeding.

2. The Commission shall not dispense with a hearing:

(a) In any matter pending before the Commission pursuant to NRS 704.7561 to 704.7595, inclusive; or

(b) Except as otherwise provided in *paragraph (f) of subsection [5] 1* of NRS 704.100, in any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which an electric utility has filed a general rate application or an ~~application to clear its deferred accounts.~~ *annual deferred energy accounting adjustment application pursuant to NRS 704.187.*

3. In any other matter pending before the Commission, the Commission may dispense with a hearing and act upon the matter pending unless, within 10 days after the date of the notice of pendency, a person entitled to notice of the hearing files with the Commission a request that the hearing be held. If such a request for a hearing is filed, the Commission shall give at least 10 days' notice of the hearing.

4. As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 38. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Commission shall adopt regulations to establish methods and programs for a public utility which purchases natural gas for resale that remove financial disincentives which discourage the public utility from supporting energy conservation, including, without limitation:

(a) Procedures for a public utility which purchases natural gas for resale to have a mechanism established during a general rate application filed pursuant to NRS 704.110 to ensure that the costs of the public utility for providing service are recovered without regard to the difference in the quantity of natural gas actually sold by the public utility by taking into account the adjusted and annualized quantity of natural gas sold during a test year and the growth in the number of customers of the public utility;

(b) Procedures for a public utility which purchases natural gas for resale to apply to the Commission for approval of an activity relating to increasing energy efficiency or energy conservation; and

(c) Procedures for a public utility which purchases natural gas for resale to apply to the Commission for the recovery of costs associated with an activity approved by the Commission pursuant to paragraph (b).

2. The regulations adopted pursuant to subsection 1 must ensure that the methods and programs consider the recovery of costs, stabilization of revenue and any reduction of risk for the public utility which purchases natural gas for resale.

Sec. 39. NRS 704.062 is hereby amended to read as follows:

704.062 "Application to make changes in any schedule" and "application" include, without limitation:

1. A general rate application;
2. An application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale; and
3. An *annual deferred energy accounting adjustment* application . ~~{to clear deferred accounts.}~~

Sec. 40. NRS 704.069 is hereby amended to read as follows:

704.069 1. Except as otherwise provided in ~~{subsection 8}~~ *subsections 8 and 9* of NRS 704.110, the Commission shall conduct a consumer session to solicit comments from the public in any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which:

(a) A public utility has filed a general rate application, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale ~~{or an application to clear its deferred accounts.}~~ , *an annual deferred energy accounting adjustment application pursuant to NRS 704.187 or an annual rate adjustment application*; and

(b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that will exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less.

2. In addition to the case-specific consumer sessions required by subsection 1, the Commission shall, during each calendar year, conduct at least one general consumer session in the county with the largest population in this State and at least one general consumer session in the county with the second largest population in this State. At each general consumer session, the Commission shall solicit comments from the public on issues concerning public utilities. Not later than 60 days after each general consumer session, the Commission shall submit the record from the general consumer session to the Legislative Commission.

Sec. 41. NRS 704.100 is hereby amended to read as follows:

704.100 1. Except as otherwise provided in NRS 704.075 and 704.68904 to 704.68984, inclusive, or as may otherwise be provided by the Commission pursuant to NRS 704.095 or 704.097 or pursuant to the regulations adopted by the Commission in accordance with subsection 4 of NRS 704.040:

~~{1.}~~ (a) A public utility shall not make changes in any schedule, unless the public utility:

~~{(a)}~~ (1) Files with the Commission an application to make the proposed changes and the Commission approves the proposed changes pursuant to NRS 704.110; or

~~{(b)}~~ (2) Files the proposed changes with the Commission using a letter of advice in accordance with the provisions of ~~{subsection 5. 2.}~~ *paragraph (f)*.

(b) A public utility shall adjust its rates on a quarterly basis between annual rate adjustment applications pursuant to subsection 8 of NRS 704.110

based on changes in the public utility's recorded costs of natural gas purchased for resale.

~~{3.}~~ (c) *An electric utility shall, between annual deferred energy accounting adjustment applications filed pursuant to NRS 704.187, adjust its rates on a quarterly basis pursuant to subsection 9 of NRS 704.110.*

(d) A public utility shall post copies of all proposed schedules and all new or amended schedules in the same offices and in substantially the same form, manner and places as required by NRS 704.070 for the posting of copies of schedules that are currently in force.

~~{4.}~~ (e) A public utility may not set forth as justification for a rate increase any items of expense or rate base that previously have been considered and disallowed by the Commission, unless those items are clearly identified in the application and new facts or considerations of policy for each item are advanced in the application to justify a reversal of the prior decision of the Commission.

~~{5.}~~ (f) Except as otherwise provided in ~~{subsection 6.}~~ paragraph (g), if the proposed change in any schedule does not change any rate or will result in an increase in annual gross operating revenue, as certified by the public utility, in an amount that does not exceed \$2,500:

~~{(a)}~~ (1) The public utility may file the proposed change with the Commission using a letter of advice in lieu of filing an application; and

~~{(b)}~~ (2) The Commission shall determine whether it should dispense with a hearing regarding the proposed change.

~~{6.}~~ (g) If the applicant is a public utility furnishing telephone service and the proposed change in any schedule will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that does not exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less, the Commission shall determine whether it should dispense with a hearing regarding the proposed change.

~~{7.}~~ (h) In making the determination pursuant to ~~{subsection 5 or 6.}~~ paragraph (f) or (g), the Commission shall first consider all timely written protests, any presentation that the Regulatory Operations Staff of the Commission may desire to present, the application of the public utility and any other matters deemed relevant by the Commission.

2. *As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.*

Sec. 42. NRS 704.110 is hereby amended to read as follows:

704.110 Except as otherwise provided in NRS 704.075 and 704.68904 to 704.68984, inclusive, or as may otherwise be provided by the Commission pursuant to NRS 704.095 or 704.097 or pursuant to the regulations adopted by the Commission in accordance with subsection 4 of NRS 704.040:

1. If a public utility files with the Commission an application to make changes in any schedule, including, without limitation, changes that will result in a discontinuance, modification or restriction of service, the Commission shall investigate the propriety of the proposed changes to

determine whether to approve or disapprove the proposed changes. If an electric utility files such an application and the application is a general rate application or an *annual deferred energy accounting adjustment* application, ~~[to clear its deferred accounts,]~~ the Consumer's Advocate shall be deemed a party of record.

2. Except as otherwise provided in subsections 3 and ~~[13,]~~ 12, if a public utility files with the Commission an application to make changes in any schedule, the Commission shall issue a written order approving or disapproving, in whole or in part, the proposed changes:

(a) For a public utility that is a PAR carrier, not later than 180 days after the date on which the application is filed; and

(b) For all other public utilities, not later than 210 days after the date on which the application is filed.

3. If a public utility files with the Commission a general rate application, the public utility shall submit with its application a statement showing the recorded results of revenues, expenses, investments and costs of capital for its most recent 12 months for which data were available when the application was prepared. Except as otherwise provided in subsection 4, in determining whether to approve or disapprove any increased rates, the Commission shall consider evidence in support of the increased rates based upon actual recorded results of operations for the same 12 months, adjusted for increased revenues, any increased investment in facilities, increased expenses for depreciation, certain other operating expenses as approved by the Commission and changes in the costs of securities which are known and are measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of those 12 months, but the public utility shall not place into effect any increased rates until the changes have been experienced and certified by the public utility to the Commission and the Commission has approved the increased rates. The Commission shall also consider evidence supporting expenses for depreciation, calculated on an annual basis, applicable to major components of the public utility's plant placed into service during the recorded test period or the period for certification as set forth in the application. Adjustments to revenues, operating expenses and costs of securities must be calculated on an annual basis. Within 90 days after the date on which the certification required by this subsection is filed with the Commission, or within the period set forth in subsection 2, whichever time is longer, the Commission shall make such order in reference to the increased rates as is required by this chapter. An electric utility shall file a general rate application pursuant to this subsection at least once every 24 ~~[36]~~ months based on the following schedule:

(a) An electric utility that primarily serves less densely populated counties shall file a general rate application on or before October 3, 2005, ~~[December 3, 2007,]~~ and at least once every 24 ~~[36]~~ months thereafter.

(b) An electric utility that primarily serves densely populated counties shall file a general rate application on or before November 15, 2006, ~~[December 3, 2008]~~ and at least once every 24 ~~[36]~~ months thereafter.

4. In addition to submitting the statement required pursuant to subsection 3, a public utility which purchases natural gas for resale ~~for an electric utility~~ may submit with its general rate application a statement showing the effects, on an annualized basis, of all expected changes in circumstances. If such a statement is filed, it must include all increases and decreases in revenue and expenses which may occur within 210 days after the date on which its general rate application is filed with the Commission if such expected changes in circumstances are reasonably known and are measurable with reasonable accuracy. If a public utility submits such a statement, the public utility has the burden of proving that the expected changes in circumstances set forth in the statement are reasonably known and are measurable with reasonable accuracy. If the Commission determines that the public utility has met its burden of proof:

(a) The Commission shall consider the statement submitted pursuant to this subsection and evidence relevant to the statement in addition to the statement required pursuant to subsection 3 as evidence in establishing just and reasonable rates for the public utility; and

(b) The public utility is not required to file with the Commission the certification that would otherwise be required pursuant to subsection 3.

5. If a public utility files with the Commission an application to make changes in any schedule and the Commission does not issue a final written order regarding the proposed changes within the time required by this section, the proposed changes shall be deemed to be approved by the Commission.

6. If a public utility files with the Commission a general rate application, the public utility shall not file with the Commission another general rate application until all pending general rate applications filed by that public utility have been decided by the Commission unless, after application and hearing, the Commission determines that a substantial financial emergency would exist if the public utility is not permitted to file another general rate application sooner. The provisions of this subsection do not prohibit the public utility from filing with the Commission, while a general rate application is pending, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale pursuant to subsection 7, *a quarterly rate adjustment pursuant to subsection 8 or 9, any information relating to deferred accounting requirements pursuant to NRS 704.185 or an annual deferred energy accounting adjustment application* ~~[to clear its deferred accounts pursuant to subsection 9]~~ *pursuant to NRS 704.187, if the public utility is otherwise authorized to so file by those provisions.* ~~[to file such an application.]~~

7. A public utility may file an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale once every 30 days. The provisions of this subsection do not apply to:

(a) An electric utility ~~{using deferred accounting pursuant to NRS 704.187;}~~ *which is required to adjust its rates on a quarterly basis pursuant to subsection 9; or*

(b) A public utility which purchases natural gas for resale and which adjusts its rates on a quarterly basis between annual rate adjustment applications pursuant to subsection 8.

8. A public utility which purchases natural gas for resale must request approval from the Commission to adjust its rates on a quarterly basis between annual rate adjustment applications based on changes in the public utility's recorded costs of natural gas purchased for resale. If the Commission approves such a request:

(a) The public utility shall file written notice with the Commission before the public utility makes a quarterly rate adjustment between annual rate adjustment applications. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to NRS 703.320 or the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(b) The public utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The public utility shall begin providing such written notice to its customers not later than 30 days after the date on which the public utility files its written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and

(2) Must include the following:

(I) The total amount of the increase or decrease in the public utility's revenues from the rate adjustment, stated in dollars and as a percentage;

(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;

(III) A statement that customers may send written comments or protests regarding the rate adjustment to the Commission; and

(IV) Any other information required by the Commission.

(c) The public utility shall file an annual rate adjustment application with the Commission. The annual rate adjustment application is subject to the requirements for notice and a hearing pursuant to NRS 703.320 and the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(d) The proceeding regarding the annual rate adjustment application must include a review of each quarterly rate adjustment and a review of the

transactions and recorded costs of natural gas included in each quarterly rate adjustment and the annual rate adjustment application. There is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application, and the public utility has the burden of proving reasonableness and prudence in the proceeding.

(e) The Commission shall not allow the public utility to recover any recorded costs of natural gas which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the public utility, and the Commission shall order the public utility to adjust its rates if the Commission determines that any recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application were not reasonable or prudent.

9. ~~[Except as otherwise provided in subsection 10 and subsection 5 of NRS 704.100, if an electric utility using deferred accounting pursuant to NRS 704.187 files an application to clear its deferred accounts and to change one or more of its rates based upon changes in the costs for purchased fuel or purchased power, the Commission, after a public hearing and by an appropriate order:~~

~~(a) Shall allow the electric utility to clear its deferred accounts by refunding any credit balance or recovering any debit balance over a period not to exceed 3 years, as determined by the Commission.~~

~~(b) Shall not allow the electric utility to recover any debit balance, or portion thereof, in an amount that would result in a rate of return during the period of recovery that exceeds the rate of return authorized by the Commission in the most recently completed rate proceeding for the electric utility.~~

~~10. Before allowing an electric utility to clear its deferred accounts pursuant to subsection 9, the Commission shall determine whether the costs for purchased fuel and purchased power that the electric utility recorded in its deferred accounts are recoverable and whether the revenues that the electric utility collected from customers in this State for purchased fuel and purchased power are properly recorded and credited in its deferred accounts. The Commission shall not allow the electric utility to recover any costs for purchased fuel and purchased power that were the result of any practice or transaction that was undertaken, managed or performed imprudently by the electric utility. There is no presumption that any practice or transaction was undertaken, managed or performed prudently by an electric utility applying to the Commission to clear its deferred accounts or to recover costs for purchased fuel and purchased power, and the electric utility has the burden of proving that the practices and transactions of the electric utility were reasonable and prudent.~~

~~11.7~~ *An electric utility shall adjust its rates on a quarterly basis based on changes in the public utility's recorded costs of purchased fuel or purchased power in the following manner:*

(a) An electric utility shall file written notice with the Commission on or before August 15, 2007, and every quarter thereafter of the quarterly rate adjustment to be made by the electric utility for the following quarter. The first quarterly rate adjustment by the electric utility will take effect on October 1, 2007, and each subsequent quarterly rate adjustment will take effect every quarter thereafter. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to NRS 703.320 or the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(b) Each electric utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The electric utility shall begin providing such written notice to its customers not later than 30 days after the date on which the electric utility files a written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and

(2) Must include the following:

(I) The total amount of the increase or decrease in the electric utility's revenues from the rate adjustment, stated in dollars and as a percentage;

(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;

(III) A statement that customers may send written comments or protests regarding the rate adjustment to the Commission; and

(IV) Any other information required by the Commission.

(c) An electric utility shall file an annual deferred energy accounting adjustment application pursuant to NRS 704.187 with the Commission. The annual deferred energy accounting adjustment application is subject to the requirements for notice and a hearing pursuant to NRS 703.320 and the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(d) The proceeding regarding the annual deferred energy accounting adjustment application must include a review of each quarterly rate adjustment and a review of the transactions and recorded costs of purchased fuel and purchased power included in each quarterly rate adjustment and the annual deferred energy accounting adjustment application. There is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs of purchased fuel and purchased power included in any quarterly rate adjustment or the annual

deferred energy accounting adjustment application, and the electric utility has the burden of proving reasonableness and prudence in the proceeding.

(e) The Commission shall not allow the electric utility to recover any recorded costs of purchased fuel and purchased power which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the electric utility, and the Commission shall order the electric utility to adjust its rates if the Commission determines that any recorded costs of purchased fuel and purchased power included in any quarterly rate adjustment or the annual deferred energy accounting adjustment application were not reasonable or prudent.

10. If an electric utility files an *annual deferred energy accounting adjustment* application ~~{to clear its deferred accounts}~~ pursuant to subsection 9 and NRS 704.187 while a general rate application is pending, the electric utility shall:

(a) Submit with its *annual deferred energy accounting adjustment* application ~~{to clear its deferred accounts}~~ information relating to the cost of service and rate design; and

(b) Supplement its general rate application with the same information, if such information was not submitted with the general rate application.

~~{12.}~~ 11. A utility facility identified in a 3-year plan submitted pursuant to NRS 704.741 and accepted by the Commission for acquisition or construction pursuant to NRS 704.751 and the regulations adopted pursuant thereto shall be deemed to be a prudent investment. The utility may recover all just and reasonable costs of planning and constructing such a facility.

~~{13.}~~ 12. A PAR carrier may, in accordance with this section and NRS 704.100, file with the Commission a request to approve or change any schedule to provide volume or duration discounts to rates for telecommunication service for an offering made to all or any class of business customers. The Commission may conduct a hearing relating to the request, which must occur within 45 days after the date the request is filed with the Commission. The request and schedule shall be deemed approved if the request and schedule are not disapproved by the Commission within 60 days after the date the Commission receives the request.

~~{14.}~~ 13. As used in this section:

(a) "Electric utility" has the meaning ascribed to it in NRS 704.187.

(b) "Electric utility that primarily serves densely populated counties" ~~{has the meaning ascribed to it in NRS 704.187.}~~ means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is 400,000 or more than it does from customers located in counties whose population is less than 400,000.

(c) "Electric utility that primarily serves less densely populated counties" ~~{has the meaning ascribed to it in NRS 704.187.}~~ means an electric utility that, with regard to the provision of electric service, derives more of its

annual gross operating revenue in this State from customers located in counties whose population is less than 400,000 than it does from customers located in counties whose population is 400,000 or more.

(d) "PAR carrier" has the meaning ascribed to it in NRS 704.68942.

Sec. 43. NRS 704.187 is hereby amended to read as follows:

704.187 1. ~~{Except as otherwise provided in section 36 of chapter 16, Statutes of Nevada 2001, beginning on March 1, 2001, an}~~ An electric utility that purchases fuel or power shall use deferred accounting by recording upon its books and records in deferred accounts all increases and decreases in costs for purchased fuel and purchased power that are prudently incurred by the electric utility.

2. An electric utility using deferred accounting shall include in its annual report to the Commission a statement showing, for the period of recovery, the allocated rate of return for each of its operating departments in this State using deferred accounting. If, during the period of recovery, the rate of return for any operating department using deferred accounting is greater than the rate of return authorized by the Commission in the most recently completed rate proceeding for the electric utility, the Commission shall order the electric utility that recovered costs for purchased fuel or purchased power through its rates during the reported period to transfer to the next energy adjustment period that portion of the amount recovered by the electric utility that exceeds the authorized rate of return.

3. Except as otherwise provided in this section, an electric utility using deferred accounting shall file an annual *deferred energy accounting adjustment application* ~~{to clear its deferred accounts based on the following schedule:~~

~~(a) An electric utility that primarily serves less densely populated counties shall file an annual application to clear its deferred accounts on December 1, 2005, and in December} on or before March 1, 2008, and on or before March 1 of each year thereafter . {on a date specified by the Commission.~~

~~(b) An electric utility that primarily serves densely populated counties shall file an annual application to clear its deferred accounts on January 17, 2006, and in January of each year thereafter on a date specified by the Commission.}~~

4. ~~{An electric utility using deferred accounting may file a semiannual application to clear its deferred accounts if the net change in revenues necessary to clear its deferred accounts for the reported period is more than 5 percent of the total revenues generated by the electric utility during that period from its rates for purchased fuel and purchased power most recently authorized by the Commission.~~

~~5.}~~ As used in this section:

(a) ~~{"Application to clear its deferred accounts"}~~ "Annual deferred energy accounting adjustment application" means an application filed by an electric utility pursuant to this section and subsection 9 of NRS 704.110.

(b) "Costs for purchased fuel and purchased power" means all costs which are prudently incurred by an electric utility and which are required to purchase fuel, to purchase capacity and to purchase energy. The term does not include any costs that the Commission determines are not recoverable pursuant to subsection ~~140~~ 9 of NRS 704.110.

(c) "Electric utility" means any public utility or successor in interest that:

(1) Is in the business of providing electric service to customers;

(2) Holds a certificate of public convenience and necessity issued or transferred pursuant to this chapter; and

(3) In the most recently completed calendar year or in any other calendar year within the 7 calendar years immediately preceding the most recently completed calendar year, had a gross operating revenue of \$250,000,000 or more in this State.

➡ The term does not include a cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.

~~[(d) "Electric utility that primarily serves densely populated counties" means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is 400,000 or more than it does from customers located in counties whose population is less than 400,000.~~

~~(e) "Electric utility that primarily serves less densely populated counties" means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is less than 400,000 than it does from customers located in counties whose population is 400,000 or more.]~~

Sec. 43.5. NRS 704.741 is hereby amended to read as follows:

704.741 1. A utility which supplies electricity in this state shall, on or before July 1 of every third year, in the manner specified by the Commission, submit a plan to increase its supply of electricity or decrease the demands made on its system by its customers to the Commission.

2. The Commission shall, by regulation, prescribe the contents of such a plan including, but not limited to, the methods or formulas which are used by the utility to:

(a) Forecast the future demands; and

(b) Determine the best combination of sources of supply to meet the demands or the best method to reduce them.

3. The Commission shall require the utility to include in its plan an energy efficiency program for residential customers which reduces the consumption of electricity or any fossil fuel. The energy efficiency program must include, without limitation, the use of new solar thermal energy sources.

Sec. 44. ~~[NRS 704.771 is hereby amended to read as follows:~~

~~704.771 1. "Net metering system" means a facility or energy system for the generation of electricity that:~~

~~[1.] (a) Uses renewable energy as its primary source of energy to generate electricity;~~

~~[2.] (b) Has a generating capacity of not more than [150 kilowatts;~~

~~3.] 1 megawatt;~~

~~(c) Is located on the customer generator's premises;~~

~~[4.] (d) Operates in parallel with the utility's transmission and distribution facilities; and~~

~~[5.] (e) Is intended primarily to offset part or all of the customer generator's requirements for electricity.~~

~~2. The term does not include a facility or energy system for the generation of electricity which has a generating capacity that exceeds the greater of:~~

~~(a) The limit on the demand that the class of customer of the customer generator may place on the system of the utility; or~~

~~(b) One hundred fifty percent of the peak demand of the customer.]~~

~~(Deleted by amendment.)~~

Sec. 45. ~~[NRS 704.773 is hereby amended to read as follows:~~

~~704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer generators operating within its service area until the cumulative capacity of all such net metering systems is equal to 1 percent of the utility's peak capacity.~~

~~2. If the net metering system of a customer generator who accepts the offer of a utility for net metering has a capacity of not more than [30] 100 kilowatts, the utility:~~

~~(a) Shall offer to make available to the customer generator an energy meter that is capable of registering the flow of electricity in two directions.~~

~~(b) May, at its own expense and with the written consent of the customer generator, install one or more additional meters to monitor the flow of electricity in each direction.~~

~~(c) Shall not charge a customer generator any fee or charge that would increase the customer generator's minimum monthly charge to an amount greater than that of other customers of the utility in the same rate class as the customer generator.~~

~~3. If the net metering system of a customer generator who accepts the offer of a utility for net metering has a capacity of more than [30] 100 kilowatts, the utility may:~~

~~(a) Require the customer generator to install at its own cost [an]:~~

~~(1) An energy meter that is capable of measuring generation output and customer load [.]; and~~

~~(2) Any upgrades to the system of the utility that are required to make the net metering system compatible with the system of the utility.~~

~~(b) [Charge] Except as otherwise provided in paragraph (c), charge the customer-generator any applicable fee or charge charged to other customers of the utility in the same rate class as the customer-generator, including, without limitation, customer, demand and facility charges.~~

~~(c) Not charge the customer-generator any standby charge.~~

~~➔ At the time of installation or upgrade of any portion of a net metering system, the utility must require or allow a customer-generator governed by this subsection to pay the entire cost of the installation or upgrade of the portion of the net metering system.~~

~~4. The Commission shall adopt regulations prescribing the form and substance for a net metering tariff and a standard net metering contract. The regulations must include, without limitation:~~

~~(a) The particular provisions, limitations and responsibilities of a customer-generator which must be included in a net metering tariff with regard to:~~

~~(1) Metering equipment;~~

~~(2) Net energy measurement and billing; and~~

~~(3) Interconnection,~~

~~➔ based on the allowable size of the net metering system.~~

~~(b) The particular provisions, limitations and responsibilities of a customer-generator and the utility which must be included in a standard net metering contract.~~

~~(c) A timeline for processing applications and contracts for net metering applicants.~~

~~(d) Any other provisions the Commission finds necessary to carry out the provisions of NRS 704.766 to 704.775, inclusive. (Deleted by amendment.)~~

Sec. 46. ~~[NRS 704.775 is hereby amended to read as follows:~~

~~704.775 1. The billing period for net metering must be a monthly period.~~

~~2. [If a customer-generator's net metering system has a capacity of not more than 30 kilowatts, the] The net energy measurement must be calculated in the following manner:~~

~~(a) The utility shall measure, in kilowatt hours, the net electricity produced or consumed during the billing period, in accordance with normal metering practices.~~

~~(b) If the electricity supplied by the utility exceeds the electricity generated by the customer-generator which is fed back to the utility during the billing period, the customer-generator must be billed for the net electricity supplied by the utility.~~

~~(c) If the electricity generated by the customer-generator which is fed back to the utility exceeds the electricity supplied by the utility during the billing period:~~

~~(1) Neither the utility nor the customer-generator is entitled to compensation for electricity provided to the other during the billing period.~~

~~(2) The excess electricity which is fed back to the utility during the billing period is carried forward to the next billing period as an addition to the kilowatt hours generated by the customer generator in that billing period. If the customer generator is billed for electricity pursuant to a time-of-use rate schedule, the excess electricity carried forward must be added to the same time-of-use period as the time-of-use period in which it was generated unless the subsequent billing period lacks a corresponding time-of-use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time-of-use periods.~~

~~(3) Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer generator is not entitled to receive compensation for any excess electricity that remains if:~~

~~(I) The net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities;~~

~~(II) The customer generator ceases to be a customer of the utility at the premises served by the net metering system; or~~

~~(III) The customer generator transfers the net metering system to another person.~~

~~(4) The value of the excess electricity [which is fed back to the utility shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.~~

3. If a customer generator's net metering system has a capacity of more than 30 kilowatts, the net energy measurement must be calculated in the following manner:

(a) The utility shall:

(1) Measure, in kilowatt hours, the amount of electricity supplied by the utility to the customer generator during the billing period and calculate its value using the tariff that would be applicable if the customer generator did not use a net metering system; and

(2) Measure, in kilowatt hours, the amount of electricity generated by the customer generator which is fed back to the utility during the billing period and calculate its value at a rate that is consistent with the rate used to calculate the value of the electricity supplied by the utility.

(b) If the value of electricity supplied by the utility exceeds the value of the electricity generated by the customer generator which is fed back to the utility during the billing period, the customer generator must be billed for the net value of the electricity supplied by the utility.

(c) If the value of the electricity generated by the customer generator which is fed back to the utility exceeds the value of the electricity supplied by the utility during the billing period:

(1) Neither the utility nor the customer generator is entitled to compensation for the value of the electricity provided to the other during the billing period.

(2) The value of the excess electricity:

~~(I) Must not be shown as a credit on the customer generator's bill for that billing period but must be reflected as a credit that is carried forward to offset the value of the electricity supplied by the utility during a subsequent billing period. At the discretion of the utility, the credit may be in a dollar amount or in kilowatt hours. If the credit is reflected as excess electricity and the customer generator is billed for electricity pursuant to a time of use rate schedule, the excess electricity carried forward must be added to the same time of use period as the time of use period in which it was generated unless the subsequent billing period lacks a corresponding time of use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time of use periods. Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer generator is not entitled to receive compensation for any excess electricity that remains if the net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities, the customer generator ceases to be a customer of the utility at the premises served by the net metering system or the customer generator transfers the net metering system to another person.~~

~~(II) Does not reduce any other fee or charge imposed by the utility.~~

~~(3) The excess electricity which is fed back to the utility] must not be used to reduce any other fee or charge imposed by the utility.~~

~~3. If the cost of purchasing and installing a net metering system was paid for:~~

~~(a) In whole or in part by a utility, the electricity generated by the net metering system shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.~~

~~(b) Entirely by a customer generator, the Commission shall issue to the customer generator portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the electricity generated by the net metering system.~~

~~4. A bill for electrical service is due at the time established pursuant to the terms of the contract between the utility and the customer generator.]~~
~~(Deleted by amendment.)~~

Sec. 47. NRS 704.7802 is hereby amended to read as follows:

704.7802 1. "Energy efficiency measure" means any measure designed, intended or used to improve energy efficiency if:

(a) The measure is installed on or after January 1, 2005, at the service location of a retail customer of a provider of electric service in this State;

(b) The measure reduces the consumption of energy by the retail customer; and

(c) The costs of the acquisition or installation of the measure are directly reimbursed, in whole or in part, by the provider of electric service.

2. The term does not include ~~§~~:

~~(a) Any~~ any demand response measure or load limiting measure that shifts the consumption of energy by a retail customer from one period to another period.

~~[(b) Any solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity or any fossil fuel.]~~

Sec. 48. NRS 704.7821 is hereby amended to read as follows:

704.7821 1. For each provider of electric service, the Commission shall establish a portfolio standard. The portfolio standard must require each provider to generate, acquire or save electricity from portfolio energy systems or efficiency measures in an amount that is:

(a) For calendar years 2005 and 2006, not less than 6 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(b) For calendar years 2007 and 2008, not less than 9 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(c) For calendar years 2009 and 2010, not less than 12 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(d) For calendar years 2011 and 2012, not less than 15 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(e) For calendar years 2013 and 2014, not less than 18 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(f) For calendar year 2015 and for each calendar year thereafter, not less than 20 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

2. In addition to the requirements set forth in subsection 1, the portfolio standard for each provider must require that:

(a) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not less than ~~{5}~~ 6 percent of that amount must be generated or acquired from solar renewable energy systems.

(b) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures. If the provider intends to use energy efficiency measures to comply with its portfolio standard during any calendar year, of the total amount of electricity saved from energy efficiency measures for which the provider seeks to obtain portfolio energy credits pursuant to this paragraph, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.

(c) If the provider acquires or saves electricity from a portfolio energy system or efficiency measure pursuant to a renewable energy contract or energy efficiency contract with another party:

(1) The term of the contract must be not less than 10 years, unless the other party agrees to a contract with a shorter term; and

(2) The terms and conditions of the contract must be just and reasonable, as determined by the Commission. If the provider is a utility provider and the Commission approves the terms and conditions of the contract between the utility provider and the other party, the contract and its terms and conditions shall be deemed to be a prudent investment and the utility provider may recover all just and reasonable costs associated with the contract.

3. If, for the benefit of one or more of its retail customers in this State, the provider has directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. The Commission shall adopt regulations that establish a system of portfolio energy credits that may be used by a provider to comply with its portfolio standard.

5. Except as otherwise provided in subsection 6, each provider shall comply with its portfolio standard during each calendar year.

6. If, for any calendar year, a provider is unable to comply with its portfolio standard through the generation of electricity from its own renewable energy systems or, if applicable, through the use of portfolio energy credits, the provider shall take actions to acquire or save electricity pursuant to one or more renewable energy contracts or energy efficiency contracts. If the Commission determines that, for a calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the Commission shall exempt the provider, for that calendar year, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission.

7. The Commission shall adopt regulations that establish:

(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.

(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the

contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.

8. As used in this section:

(a) "Energy efficiency contract" means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.

(b) "Renewable energy contract" means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.

(c) "Terms and conditions" includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

Sec. 49. ~~[NRS 704.860 is hereby amended to read as follows:~~

~~704.860 "Utility facility" means:~~

~~1. Electric generating plants and their associated facilities, except:~~

~~(a) Electric generating plants and their associated facilities that are or will be located entirely within the boundaries of a county whose population is 100,000 or more; or~~

~~(b) Electric generating plants and their associated facilities which use or will use renewable energy, as defined in NRS 704.7811, as their primary source of energy to generate electricity and which have or will have a generating capacity of not more than [150 kilowatts,] 1 megawatt, including, without limitation, a net metering system, as defined in NRS 704.771.~~

~~As used in this subsection, "associated facilities" includes, without limitation, any facilities for the storage, transmission or treatment of water, including, without limitation, facilities to supply water or for the treatment or disposal of wastewater, which support or service an electric generating plant.~~

~~2. Electric transmission lines and transmission substations that:~~

~~(a) Are designed to operate at 200 kilovolts or more;~~

~~(b) Are not required by local ordinance to be placed underground; and~~

~~(c) Are constructed outside any incorporated city.~~

~~3. Gas transmission lines, storage plants, compressor stations and their associated facilities when constructed outside:~~

~~(a) Any incorporated city; and~~

~~(b) Any county whose population is 100,000 or more.~~

~~4. Water storage, transmission and treatment facilities, other than facilities for the storage, transmission or treatment of water from mining operations.~~

~~5. Sewer transmission and treatment facilities.] (Deleted by amendment.)~~

Sec. 50. Chapter 113 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Except as otherwise provided in subsection 3, the seller shall have the energy consumption of the residential property evaluated pursuant to the program established in section 31 of this act.*

2. *Except as otherwise provided in subsection 4, before closing a transaction for the conveyance of residential property, the seller shall serve the purchaser with the completed evaluation required pursuant to subsection 1, if any, on a form to be provided by the Director of the Office of Energy, as prescribed in regulations adopted pursuant to section 31 of this act.*

3. *Subsection 1 does not apply to a sale or intended sale of residential property:*

(a) *By foreclosure pursuant to chapter 107 of NRS.*

(b) *Between any co-owners of the property, spouses or persons related within the third degree of consanguinity.*

(c) *By a person who takes temporary possession or control of or title to the property solely to facilitate the sale of the property on behalf of a person who relocates to another county, state or country before title to the property is transferred to a purchaser.*

(d) *If the seller and purchaser agree to waive the requirements of subsection 1.*

4. *If an evaluation of a residential property was completed not more than 5 years before the seller and purchaser entered into the agreement to purchase the residential property, the seller may serve the purchaser with that evaluation.*

Sec. 51. NRS 228.360 is hereby amended to read as follows:

228.360 The Consumer's Advocate:

1. Shall intervene in and represent the public interest in:

(a) All proceedings conducted pursuant to NRS 704.7561 to 704.7595, inclusive; and

(b) All proceedings conducted pursuant to NRS 704.061 to 704.110, inclusive, in which an electric utility has filed a general rate application or an annual deferred energy accounting adjustment application . ~~to clear its deferred accounts.~~

2. May, with respect to all public utilities except railroads and cooperative utilities, and except as otherwise provided in NRS 228.380:

(a) Conduct or contract for studies, surveys, research or expert testimony relating to matters affecting the public interest or the interests of utility customers.

(b) Examine any books, accounts, minutes, records or other papers or property of any public utility subject to the regulatory authority of the Public Utilities Commission of Nevada in the same manner and to the same extent as authorized by law for members of the Public Utilities Commission of Nevada and its staff.

(c) Except as otherwise provided in subsection 1, petition for, request, initiate, appear or intervene in any proceeding concerning rates, charges,

tariffs, modifications of service or any related matter before the Public Utilities Commission of Nevada or any court, regulatory body, board, commission or agency having jurisdiction over any matter which the Consumer's Advocate may bring before or has brought before the Public Utilities Commission of Nevada or in which the public interest or the interests of any particular class of utility customers are involved. The Consumer's Advocate may represent the public interest or the interests of any particular class of utility customers in any such proceeding, and he is a real party in interest in the proceeding.

3. As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 51.3. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If the Commission on Economic Development approves an application by a business for a partial abatement pursuant to NRS 360.750, the agreement with the Commission must provide that the business:

(a) Agrees to allow the Department to conduct audits of the business to determine whether the business is in compliance with the requirements for the partial abatement; and

(b) Consents to the disclosure of the audit reports in the manner set forth in this section.

2. If the Department conducts an audit of the business to determine whether the business is in compliance with the requirements for the partial abatement, the Department shall, upon request, provide the audit report to the Commission on Economic Development.

3. Until the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit, the information contained in the audit report provided to the Commission on Economic Development:

(a) Is confidential proprietary information of the business;

(b) Is not a public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the Commission on Economic Development unless the business consents to the disclosure.

4. After the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit:

(a) The audit report provided to the Commission on Economic Development is a public record; and

(b) Upon request by any person, the Executive Director of the Commission on Economic Development shall disclose the audit report to the person who made the request, except for any information in the audit report that is protected from disclosure pursuant to subsection 5.

5. Before the Executive Director of the Commission on Economic Development discloses the audit report to the public, the business may submit a request to the Executive Director to protect from disclosure any information in the audit report which, under generally accepted business

practices, would be considered a trade secret or other confidential proprietary information of the business. After consulting with the business, the Executive Director shall determine whether to protect the information from disclosure. The decision of the Executive Director is final and is not subject to judicial review. If the Executive Director determines to protect the information from disclosure, the protected information:

- (a) Is confidential proprietary information of the business;
- (b) Is not a public record;
- (c) Must be redacted by the Executive Director from any audit report that is disclosed to the public; and
- (d) Must not be disclosed to any person who is not an officer or employee of the Commission on Economic Development unless the business consents to the disclosure.

Sec. 51.7. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Commission on Economic Development for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361, 363B or 374 of NRS.

2. The Commission on Economic Development shall approve an application for a partial abatement if the Commission makes the following determinations:

- (a) The business is consistent with:
 - (1) The State Plan for Industrial Development and Diversification that is developed by the Commission pursuant to NRS 231.067; and
 - (2) Any guidelines adopted pursuant to the State Plan.
- (b) The applicant has executed an agreement with the Commission which ~~[states]~~ must:

- (1) Comply with the requirements of section 51.3 of this act;
- (2) State that the business will, after the date on which a certificate of eligibility for the abatement is issued pursuant to subsection 5, continue in operation in this State for a period specified by the Commission, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection ~~[The agreement must bind]~~; and

- (3) Bind the successors in interest of the business for the specified period.

(c) The business is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and all other permits required by the county, city or town in which the business operates.

(d) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business meets at least two of the following requirements:

- (1) The business will have 75 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$1,000,000 in this State.

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Commission by regulation pursuant to subsection 9.

(e) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000, the business meets at least two of the following requirements:

(1) The business will have 15 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$250,000 in this State.

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Commission by regulation pursuant to subsection 9.

(f) If the business is an existing business, the business meets at least two of the following requirements:

(1) The business will increase the number of employees on its payroll by 10 percent more than it employed in the immediately preceding fiscal year or by six employees, whichever is greater.

(2) The business will expand by making a capital investment in this State in an amount equal to at least 20 percent of the value of the tangible property possessed by the business in the immediately preceding fiscal year. The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

(I) County assessor of the county in which the business will expand, if the business is locally assessed; or

(II) Department, if the business is centrally assessed.

(3) The average hourly wage that will be paid by the existing business to its new employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will provide a health insurance plan for all new employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its new employees in this State will meet the minimum requirements for benefits established by the Commission by regulation pursuant to subsection 9.

(g) In lieu of meeting the requirements of paragraph (d), (e) or (f), if the business furthers the development and refinement of intellectual property, a patent or a copyright into a commercial product, the business meets at least two of the following requirements:

(1) The business will have 10 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$500,000 in this State.

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet with minimum requirements established by the Commission by regulation pursuant to subsection 9.

3. Notwithstanding the provisions of subsection 2, the Commission on Economic Development:

(a) Shall not consider an application for a partial abatement unless the Commission has requested a letter of acknowledgment of the request for the abatement from any affected county, school district, city or town.

(b) May, if the Commission determines that such action is necessary:

(1) Approve an application for a partial abatement by a business that does not meet the requirements set forth in paragraph (d), (e), (f) or (g) of subsection 2;

(2) Make the requirements set forth in paragraph (d), (e), (f) or (g) of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement.

4. If a person submits an application to the Commission on Economic Development pursuant to subsection 1, the Commission shall provide notice to the governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the person intends to locate or expand a business. The notice required pursuant to this subsection must set forth the date, time and location of the hearing at which the Commission will consider the application.

5. If the Commission on Economic Development approves an application for a partial abatement, the Commission shall immediately forward a certificate of eligibility for the abatement to:

- (a) The Department;
- (b) The Nevada Tax Commission; and
- (c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer.

6. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the Executive Director of the Commission on Economic Development, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 2.

7. If a business whose partial abatement has been approved pursuant to this section and is in effect ceases:

- (a) To meet the requirements set forth in subsection 2; or
- (b) Operation before the time specified in the agreement described in paragraph (b) of subsection 2,

↪ the business shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.

8. A county treasurer:

(a) Shall deposit any money that he receives pursuant to subsection 7 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

(b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

9. The Commission on Economic Development:

- (a) Shall adopt regulations relating to:

(1) The minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; and

(2) The notice that must be provided pursuant to subsection 4.

(b) May adopt such other regulations as the Commission on Economic Development determines to be necessary to carry out the provisions of this section ~~and~~ and section 51.3 of this act.

10. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph (d), (e) or (g) of subsection 2; and

(2) Any security that a business is required to post to qualify for a partial abatement pursuant to this section.

(b) May adopt such other regulations as the Nevada Tax Commission determines to be necessary to carry out the provisions of this section ~~and~~ section 51.3 of this act.

11. An applicant for an abatement who is aggrieved by a final decision of the Commission on Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 52. (Deleted by amendment.)

Sec. 53. (Deleted by amendment.)

Sec. 54. (Deleted by amendment.)

Sec. 55. (Deleted by amendment.)

Sec. 56. (Deleted by amendment.)

Sec. 57. (Deleted by amendment.)

Sec. 58. (Deleted by amendment.)

Sec. 59. (Deleted by amendment.)

Sec. 60. (Deleted by amendment.)

Sec. 61. (Deleted by amendment.)

Sec. 62. Sections 62 to 86, inclusive, of this act may be cited as the Wind Energy Systems Demonstration Program Act.

Sec. 63. As used in sections 62 to 86, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 64 to 78, inclusive, of this act have the meaning ascribed to them in those sections.

Sec. 64. "Agricultural property" means any real property employed for an agricultural use as defined in NRS 361A.030.

Sec. 65. "Applicant" means a person who is applying to participate in the Wind Demonstration Program.

Sec. 66. "Category" means one of the categories of participation in the Wind Demonstration Program as set forth in section 79 of this act.

Sec. 67. "Commission" means the Public Utilities Commission of Nevada.

Sec. 68. ~~["Committee" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.] (Deleted by amendment.)~~

Sec. 69. "Institution of higher education" means:

1. A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; or

2. A postsecondary educational institution, as defined in NRS 394.099, or any other institution of higher education.

Sec. 70. "Participant" means a person who has been selected by the ~~[Committee]~~ *Task Force* pursuant to section 83 of this act to participate in the Wind Demonstration Program.

Sec. 71. "Person" includes, without limitation, a governmental entity.

Sec. 72. "Program year" means the period of July 1 to June 30 of the following year.

Sec. 73. "Public property" means any real property, building or facilities owned, leased or occupied by:

1. A department, agency or instrumentality of the State or any of its political subdivisions which is used for the transaction of public or quasi-public business; or

2. A nonprofit organization that is recognized as exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), as amended, or a corporation for public benefit as defined in NRS 82.021.

Sec. 74. "School property" means any real property, building or facilities owned, leased or occupied by:

1. A public school as defined in NRS 385.007;

2. A private school as defined in NRS 394.103; or

3. An institution of higher education.

Sec. 75. "Small business" means a business conducted for profit which employs 500 or fewer full-time or part-time employees.

Sec. 75.5. "Task Force" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.

Sec. 76. "Utility" means a public utility that supplies electricity in this State.

Sec. 77. "Wind Demonstration Program" or "Program" means the Wind Energy Systems Demonstration Program created by section 79 of this act.

Sec. 78. "Wind energy system" means a facility or energy system for the generation of electricity that uses wind energy to generate electricity.

Sec. 79. 1. The Wind Energy Systems Demonstration Program is hereby created.

2. The Program must have four categories as follows:

(a) School property;

(b) Other public property;

(c) Private residential property and small business property; and

(d) Agricultural property.

3. To be eligible to participate in the Program, a person must:

(a) Meet the qualifications established by the Commission pursuant to section 80 of this act;

(b) Submit an application to a utility and be selected by the ~~{Committee}~~ Task Force for inclusion in the Program pursuant to sections 82 and 83 of this act;

(c) When installing the wind energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

(d) If the person will be participating in the Program in the category of school property or other public property, provide for the public display of the wind energy system, including, without limitation, providing for public demonstrations of the wind energy system and for hands-on experience of the wind energy system by the public.

Sec. 80. The Commission shall adopt regulations necessary to carry out the provisions of the Wind Energy Systems Demonstration Program Act, including, without limitation, regulations that establish:

1. The qualifications and requirements an applicant must meet to be eligible to participate in the Program in each particular category of:

- (a) School property;
- (b) Other public property;
- (c) Private residential property and small business property; and
- (d) Agricultural property.

2. The type of incentives available to participants in the Program and the level or amount of those incentives.

3. The requirements for a utility's annual plan for carrying out and administering the Program. A utility's annual plan must include, without limitation:

- (a) A detailed plan for advertising the Program;
- (b) A detailed budget and schedule for carrying out and administering the Program;
- (c) A detailed account of administrative processes and forms that will be used to carry out and administer the Program, including, without limitation, a description of the application process and copies of all applications and any other forms that are necessary to apply for and participate in the Program;
- (d) A detailed account of the procedures that will be used for inspection and verification of a participant's wind energy system and compliance with the Program;
- (e) A detailed account of training and educational activities that will be used to carry out and administer the Program; and
- (f) Any other information required by the Commission.

Sec. 81. 1. Each utility shall carry out and administer the Wind Demonstration Program within its service area in accordance with its annual plan as approved by the Commission pursuant to section 82 of this act.

2. A utility may recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with carrying out and administering the Program within its service area by seeking recovery of

those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 82. 1. On or before February 1, 2008, and on or before February 1 of each year thereafter, each utility shall file with the Commission its annual plan for carrying out and administering the Wind Demonstration Program within its service area for the following program year.

2. On or before July 1, 2008, and on or before July 1 of each year thereafter, the Commission shall:

(a) Review the annual plan filed by each utility for compliance with the requirements established by regulation; and

(b) Approve the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

3. On or before November 1, 2008, and on or before November 1 of each year thereafter, each utility shall submit to the ~~[Committee]~~ *Task Force* the utility's recommendations as to which applications received by the utility should be approved for participation in the Program. The ~~[Committee]~~ *Task Force* shall review the applications to ensure that each applicant meets the qualifications and requirements to be eligible to participate in the Program.

4. Except as otherwise provided in section 83 of this act, the ~~[Committee]~~ *Task Force* may approve, from among the applications recommended by each utility, wind energy systems totaling:

(a) For the program year beginning July 1, 2008:

(1) 500 kilowatts of capacity for school property;

(2) 500 kilowatts of capacity for other public property;

(3) 700 kilowatts of capacity for private residential property and small business property; and

(4) 700 kilowatts of capacity for agricultural property.

(b) For the program year beginning July 1, 2009:

(1) An additional 250 kilowatts of capacity for school property;

(2) An additional 250 kilowatts of capacity for other public property;

(3) An additional 350 kilowatts of capacity for private residential property and small business property; and

(4) An additional 350 kilowatts of capacity for agricultural property.

(c) For the program year beginning July 1, 2010:

(1) An additional 250 kilowatts of capacity for school property;

(2) An additional 250 kilowatts of capacity for other public property;

(3) An additional 350 kilowatts of capacity for private residential property and small business property; and

(4) An additional 350 kilowatts of capacity for agricultural property.

Sec. 83. 1. Based on the applications submitted by each utility for a program year, the ~~[Committee]~~ *Task Force* shall:

(a) Within the limits of the capacity allocated to each category, select applicants to be participants in the Wind Demonstration Program and place those applicants on a list of participants; and

(b) Select applicants to be placed on a prioritized waiting list to become participants in the Program if any capacity within a category becomes available.

2. Not later than 30 days after the date on which the ~~{Committee}~~ *Task Force* selects an applicant to be on the list of participants or the prioritized waiting list, the utility which submitted the application to the ~~{Committee}~~ *Task Force* on behalf of the applicant shall provide written notice of the selection to the applicant.

3. If the capacity allocated to any category for a program year is not fully subscribed by participants in that category, the ~~{Committee}~~ *Task Force* may, in any combination it deems appropriate:

(a) Allow a utility to submit additional applications from applicants who want to participate in that category; or

(b) Reallocate any of the unused capacity in that category to any of the other categories.

4. At any time after submitting an application to participate in the Program to a utility, an applicant may energize his wind energy system if the wind energy system meets all applicable building codes and all applicable requirements of the utility as approved by the Commission. An applicant who energizes his wind energy system under such circumstances remains eligible to participate in the Program, and the energizing of the wind energy system does not alter the applicant's status on the list of participants or the prioritized waiting list.

Sec. 84. 1. Except as otherwise provided in this section, if the ~~{Committee}~~ *Task Force* determines that a participant has not complied with the requirements for participation in the Wind Demonstration Program, the ~~{Committee}~~ *Task Force* shall, after notice and an opportunity for a hearing, withdraw the participant from the Program.

2. The ~~{Committee}~~ *Task Force* may, without notice or an opportunity for a hearing, withdraw from the Program:

(a) A participant in the category of private residential property and small business property or a participant in the category of agricultural property if the participant does not complete the installation of a wind energy system within 12 months after the date the participant receives written notice of his selection to participate in the Program.

(b) A participant in the category of school property or a participant in the category of other public property if the participant does not complete the installation of a wind energy system within 30 months after the date the participant receives written notice of his selection to participate in the Program.

3. A participant who is withdrawn from the Program pursuant to subsection 2 forfeits any incentives.

Sec. 85. 1. After a participant installs a wind energy system included in the Wind Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted

by the Commission pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-hour production of the wind energy system.

2. All portfolio energy credits issued for a wind energy system installed pursuant to the Wind Demonstration Program must be assigned to and become the property of the utility administering the Program.

Sec. 86. If a wind energy system used by a participant in the Wind Demonstration Program meets the requirements of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 87. Sections 87 to 106, inclusive, of this act may be cited as the Waterpower Energy Systems Demonstration Program Act.

Sec. 88. As used in sections 87 to 106, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 89 to 98, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 89. "Applicant" means a person who is applying to participate in the Waterpower Demonstration Program.

Sec. 90. "Commission" means the Public Utilities Commission of Nevada.

Sec. 91. ~~"Committee" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.~~ *(Deleted by amendment.)*

Sec. 92. "Participant" means a person who has been selected by the Commission to participate in the Waterpower Demonstration Program.

Sec. 93. "Person" includes, without limitation, a public entity.

Sec. 94. "Program year" means the period of July 1 to June 30 of the following year.

Sec. 94.5. "Task Force" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.

Sec. 95. "Utility" means a public utility that supplies electricity in this State.

Sec. 96. "Waterpower" has the meaning ascribed to it in subsection 3 of NRS 704.7811.

Sec. 97. "Waterpower energy system" means a facility or energy system for the generation of electricity that uses waterpower to generate electricity.

Sec. 98. "Waterpower Demonstration Program" or "Program" means the Waterpower Energy Systems Demonstration Program created by section 99 of this act.

Sec. 99. 1. The Waterpower Energy Systems Demonstration Program is hereby created.

2. The Waterpower Demonstration Program is created for agricultural uses.

3. To be eligible to participate in the Waterpower Demonstration Program, a person must meet the qualifications established pursuant to subsection 4 and apply to and be selected by the ~~Committee~~ *Task Force* for inclusion in the Waterpower Demonstration Program.

4. The Commission shall adopt regulations providing for the qualifications an applicant must meet to qualify to participate in the Waterpower Demonstration Program.

Sec. 100. The ~~{Committee}~~ *Task Force* is responsible for the administration and delivery of the Waterpower Demonstration Program as approved by the Commission.

Sec. 101. The Commission shall adopt regulations that establish:

1. The level, amount and type of incentives available for participants in the Waterpower Demonstration Program.

2. The requirements for an annual plan for the administration and delivery of the Waterpower Demonstration Program. The requirements for an annual plan must include, without limitation:

- (a) An advertising plan;
- (b) A detailed budget;
- (c) A schedule;
- (d) Administrative processes, including, without limitation, a copy of the application and process for accepting applications;
- (e) An inspection and verification process;
- (f) Proposed training and educational activities; and
- (g) Any other information required by the Commission.

Sec. 102. 1. On or before February 21, 2008, and on or before February 1 of each subsequent year, each utility shall file with the Commission for approval an annual plan for the administration and delivery of the Waterpower Demonstration Program for the program year beginning July 1, 2008, and each subsequent year thereafter.

2. On or before July 1, 2008, and on or before each July 1 of each subsequent year, the Commission shall review the annual plan for compliance with the requirements set forth by regulation of the Commission.

3. On or before November 1, 2008, and on or before November 1 of each subsequent year, each utility shall submit to the ~~{Committee}~~ *Task Force* a recommendation of which applications received should be accepted into the program. The ~~{Committee}~~ *Task Force* shall review the applications to ensure that the applicant meets the requirements adopted pursuant to subsection 4 of section 99 of this act.

4. The ~~{Committee}~~ *Task Force* may approve, from among the applications recommended by each utility, waterpower energy systems totaling:

- (a) For the program year beginning July 1, 2008, 200 kilowatts of capacity;
- (b) For the program year beginning July 1, 2009, an additional 100 kilowatts of capacity; and
- (c) For the program year beginning July 1, 2010, an additional 100 kilowatts of capacity.

Sec. 103. Each utility may recover its reasonable and prudent costs, including, without limitation, customer incentives, that are associated with

carrying out and administering the Waterpower Demonstration Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 104. 1. After a participant installs a waterpower energy system included in the Waterpower Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-hour production of the waterpower energy system of the participant.

2. All portfolio energy credits issued for a waterpower energy system installed pursuant to the Waterpower Demonstration Program are assigned to and become the property of the utility administering the Program.

Sec. 105. If the waterpower energy system used by a participant in the Waterpower Demonstration Program meets the requirements of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 106. If the Commission determines that a participant did not comply with the requirements for participation in the Waterpower Demonstration Program, the Commission shall, after notice and an opportunity for a hearing, withdraw the participant from the Waterpower Demonstration Program. Notice or a hearing is not required for dropping an applicant from the Program who fails to meet any completion time frames specified for the Program.

Sec. 107. (Deleted by amendment.)

Sec. 108. Section 24 of the Solar Energy Systems Demonstration Program Act, being chapter 331, Statutes of Nevada 2003, as amended by chapter 2, Statutes of Nevada 2005, 22nd Special Session, at page 90, is hereby amended to read as follows:

Sec. 24. The provisions of sections 4 to 21, inclusive, of this act expire by limitation on June 30, ~~2010~~, 2007.

Sec. 109. (Deleted by amendment.)

Sec. 110. (Deleted by amendment.)

Sec. 111. (Deleted by amendment.)

Sec. 112. With regard to solar energy systems, it is the intent of the Legislature to substitute the provisions of this section, sections 1 to 29, inclusive, 44 to 49, inclusive, and 108 of this act in a continuing way for the provisions of the Solar Energy Systems Demonstration Program Act, being chapter 331, Statutes of Nevada 2003, as last amended by chapter 2, Statutes of Nevada 2005, 22nd Special Session, except that if there is a conflict between the provisions of this section, sections 1 to 29, inclusive, 44 to 49, inclusive, and 108 of this act, and the provisions of the Solar Energy Systems Demonstration Program Act, the provisions of this section, sections 1 to 29, inclusive, 44 to 49, inclusive, and 108 of this act control.

Sec. 112.5. The provisions of sections 51.3 and 51.7 of this act do not apply to any abatement for which an agreement was executed before July 1, 2007, between the Commission on Economic Development and the business to which the abatement was granted.

Sec. 113. 1. This act becomes effective:

(a) Upon passage and approval for the purposes of adopting regulations and taking such other actions as are necessary to carry out the provisions of this act; and

(b) For all other purposes besides those described in paragraph (a):

(1) For this section and sections 1, 30, 32, 36 to 46, inclusive, 49, 51 to 61, inclusive, 107, 109, 110 and 111 of this act, upon passage and approval.

(2) For sections ~~11~~ 1.5 to 29, inclusive, 43.5, 47, 51.3, 51.7, 108, ~~and~~ 112 and 112.5 of this act, on July 1, 2007.

(3) For sections 62 to 106, inclusive, of this act, on October 1, 2007.

(4) For sections 31, 33, 34 ~~and~~ 35 ~~and 48~~ of this act, on January 1, 2009.

(5) For section 48 of this act, on January 1, 2010.

(6) For section 50 of this act, on January 1, 2011.

2. Sections 62 to 106, inclusive, of this act expire by limitation on June 30, 2011.

Amendment No. 1147.

"SUMMARY—Revises provisions concerning ~~generation and consumption of energy~~; economic and energy development. (BDR 58-232)"

"AN ACT relating to economic and energy ~~development~~; replacing the Solar Energy Systems Demonstration Program Act with development; enacting the Solar Energy Systems Incentive Program, ~~which provides incentives to certain participants and utilities for energy created from various solar energy systems; providing for~~ the Renewable Energy School Pilot Program ~~which encourages the development of and determines the feasibility for renewable energy systems on public school properties;~~ and the Wind and Waterpower Energy Systems Demonstration Program Acts; establishing a new program for evaluating the energy consumption of residential property; revising legislative findings concerning energy conservation and energy requirements; ~~allocating a portion of the unspent money in the Fund for Energy Assistance and Conservation for a program for improving energy conservation and energy efficiency in residential property;~~ revising provisions governing the universal energy charge and the Fund for Energy Assistance and Conservation; requiring certain electric utilities to make quarterly rate adjustments; requiring the creation of various methods and programs to remove financial disincentives that may discourage energy conservation by various public utilities that purchase natural gas for resale; ~~making various changes relating to the definition of "net metering system"; making various changes relating to offers of net metering to customer generators; making various changes relating to calculations of net energy measurements concerning net metering systems; changing the definition of "energy~~

~~efficiency measure," as regards certain persons or entities that sell electricity to retail customers; changing the amount of electricity required to be generated, acquired or saved from solar renewable energy systems, as regards certain persons or entities that sell electricity to retail customers; making various changes relating to the definition of "utility facility" as it relates to the construction of utility facilities and environmental conservation;]~~ requiring certain residential properties for sale to be evaluated based on energy consumption and requiring that certain evaluations be provided to purchasers of those properties; ~~enacting the Wind Energy Systems Demonstration Program Act, which provides incentives to certain participants and utilities for energy created from various wind energy systems; enacting the Waterpower Energy Systems Demonstration Program Act, which provides incentives to certain participants and utilities for energy created from various waterpower energy systems;]~~ and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Under the Solar Energy Systems Demonstration Program Act, certain entities, such as schools and public agencies, which install solar energy systems are entitled to participate in a demonstration program and receive incentives for such participation. (Chapter 331, Statutes of Nevada 2003, p. 1868) The Solar Energy Systems Demonstration Program Act expires by limitation on June 30, 2010. (Chapter 2, Statutes of Nevada 2005, 22nd Special Session, p. 90)

Sections 1-29 and 112 of this bill replace the Solar Energy Systems Demonstration Program Act with a new chapter of NRS which provides for the Solar Energy Systems Incentive Program. The Solar Energy Systems Incentive Program provides incentives to certain participants and utilities for energy created from various solar energy systems.

Section 30 of this bill provides for the Renewable Energy School Pilot Program. The goal of the Program is to encourage the development of and determine the feasibility for renewable energy systems on public school properties.

Sections 62-86 of this bill enact the Wind Energy Systems Demonstration Program Act. The Wind Energy Systems Demonstration Program Act provides incentives to certain participants and utilities for energy created from various wind energy systems. Under this bill, the Wind Energy Systems Demonstration Program Act expires by limitation on June 30, 2011.

Sections 87-106 of this bill enact the Waterpower Energy Systems Demonstration Program Act. The Waterpower Energy Systems Demonstration Program Act provides incentives to certain participants and utilities for energy created from various waterpower energy systems. Under this bill, the Waterpower Energy Systems Demonstration Program Act expires by limitation on June 30, 2011.

Existing law provides various requirements relating to the sale of residential property. (NRS 113.100-113.150, 645.230-645.321) Sections 31 ~~to~~

~~33-35]~~ and 50 of this bill: (1) establish a new program for evaluating the energy consumption of residential property; ~~[(2) allocate a portion of the unspent money in the Fund for Energy Assistance and Conservation for a program of improving energy conservation and energy efficiency in residential property; and (3)]~~ and (2) require certain residential properties for sale to be evaluated based on energy consumption and require that such evaluations and ratings be provided to purchasers of those properties.

Existing law contains legislative findings concerning energy conservation and energy requirements. (NRS 701.010) Sections 32 and 38 of this bill accomplish two things. First, they revise those findings in relation to public utilities. Second, they require the creation of various methods and programs which will remove financial disincentives that discourage energy conservation by various public utilities that purchase natural gas for resale.

Under existing law, certain utilities collect and remit a universal energy charge that is deposited into the Fund for Energy Assistance and Conservation to support programs of energy assistance, energy conservation, weatherization and energy efficiency for eligible households. (Chapter 702 of NRS) Sections 32.3, 32.5 and 32.7 of this bill reallocate a portion of any unspent and unencumbered money in the Fund for a program of improving energy conservation and energy efficiency in certain residential property.

Existing law allows for quarterly rate adjustments for a public utility which purchases natural gas for resale. (NRS 704.110) Sections 36, 37, 39-43 and 51 of this bill require certain electric utilities to also make such quarterly rate adjustments.

~~[Existing law provides for requirements relating to electric utilities and net metering systems. (NRS 704.766-704.775) Existing law also provides for requirements relating to the construction of utility facilities and environmental conservation as cited in the Utility Environmental Protection Act. (NRS 704.820-704.900) Sections 44-46 and 49 of this bill make various changes relating to the definition of "net metering system," offers of net metering to customer generators, calculations relating to net energy measurements as regards net metering systems, and the definition of "utility facility" as it relates to the construction of utility facilities and environmental conservation.]~~

Existing law creates a portfolio standard that requires certain ~~[persons or entities that sell electricity to retail customers]~~ providers of electric service to generate, acquire or save various amounts of electricity through renewable energy systems or efficiency measures. (NRS 704.7801-704.7828) ~~[Sections 47 and 48]~~ Section 47 of this bill ~~[change]~~ changes the definition of "energy efficiency measure" ~~[and the amount of electricity required to be generated, acquired or saved from solar renewable energy systems.]~~ for purposes of the portfolio standard.

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

Section 1. Title 58 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 30, inclusive, of this act.

Sec. 2. *The provisions of sections 2 to 29, inclusive, of this act apply to the Solar Energy Systems Incentive Program.*

Sec. 3. *As used in sections 2 to 29, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 4 to 19, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *"Applicant" means a person who is applying to participate in the Solar Program.*

Sec. 5. *"Category" means one of the categories of participation in the Solar Program as set forth in section 23 of this act.*

Sec. 6. *"Commission" means the Public Utilities Commission of Nevada.*

Sec. 7. *"Institution of higher education" means:*

1. *A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; or*

2. *A postsecondary educational institution, as defined in NRS 394.099, or any other institution of higher education.*

Sec. 8. *"Owned, leased or occupied" includes, without limitation, any real property, building or facilities which are owned, leased or occupied under a deed, lease, contract, license, permit, grant, patent or any other type of legal authorization.*

Sec. 9. *"Participant" means a person who has been selected by the Commission to participate in the Solar Program.*

Sec. 10. *"Person" includes, without limitation, a public entity.*

Sec. 11. *"Program year" means the period of July 1 to June 30 of the following year.*

Sec. 12. 1. *"Public and other property" means any real property, building or facilities which are owned, leased or occupied by:*

(a) *A public entity;*

(b) *A nonprofit organization that is recognized as exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), as amended; or*

(c) *A corporation for public benefit as defined in NRS 82.021.*

2. *The term includes, without limitation, any real property, building or facilities which are owned, leased or occupied by:*

(a) *A church; or*

(b) *A benevolent, fraternal or charitable lodge, society or association.*

3. *The term does not include school property.*

Sec. 13. *"Public entity" means a department, agency or instrumentality of the State or any of its political subdivisions.*

Sec. 14. *"School property" means any real property, building or facilities which are owned, leased or occupied by:*

1. *A public school as defined in NRS 385.007;*

2. *A private school as defined in NRS 394.103; or*

3. *An institution of higher education.*

Sec. 15. *"Small business" means a business conducted for profit which employs 500 or fewer full-time or part-time employees.*

Sec. 16. *"Solar energy system" means a facility or energy system that uses photovoltaic cells and solar energy to generate electricity.*

Sec. 17. *"Solar Program" means the Solar Energy Systems Incentive Program created by section 23 of this act.*

Sec. 18. *"Task Force" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.*

Sec. 19. *"Utility" means a public utility that supplies electricity in this State.*

Sec. 20. *The Commission shall adopt regulations necessary to carry out the provisions of this chapter, including, without limitation, regulations that establish:*

1. *The type of incentives available to participants in the Solar Program and the level or amount of those incentives;*

2. *The requirements for a utility's annual plan for carrying out and administering the Solar Program. A utility's annual plan must include, without limitation:*

(a) *A detailed plan for advertising the Solar Program;*

(b) *A detailed budget and schedule for carrying out and administering the Solar Program;*

(c) *A detailed account of administrative processes and forms that will be used to carry out and administer the Solar Program, including, without limitation, a description of the application process and copies of all applications and any other forms that are necessary to apply for and participate in the Solar Program;*

(d) *A detailed account of the procedures that will be used for inspection and verification of a participant's solar energy system and compliance with the Solar Program;*

(e) *A detailed account of training and educational activities that will be used to carry out and administer the Solar Program; and*

(f) *Any other information required by the Commission.*

Sec. 21. *In consultation with the Task Force, the Commission shall adopt regulations that establish:*

1. *The qualifications and requirements an applicant must meet to be eligible to participate in each applicable category of:*

(a) *School property;*

(b) *Public and other property; and*

(c) *Private residential property and small business property; and*

2. *The form and content of the master application which a utility must submit to the Commission pursuant to section 24 of this act.*

Sec. 22. 1. *Each year on or before the date established by the Commission, a utility shall file with the Commission its annual plan for*

carrying out and administering the Solar Program within its service area for a program year.

2. The Commission shall:

(a) Review each annual plan filed by a utility for compliance with the requirements established by regulation of the Commission; and

(b) Approve each annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Solar Program.

3. A utility shall carry out and administer the Solar Program within its service area in accordance with the utility's annual plan as approved by the Commission.

4. A utility may recover its reasonable and prudent costs, including, without limitation, incentives, that are associated with carrying out and administering the Solar Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 23. 1. The Solar Energy Systems Incentive Program is hereby created.

2. The Solar Program must have three categories as follows:

(a) School property;

(b) Public and other property; and

(c) Private residential property and small business property.

3. To be eligible to participate in the Solar Program, a person must:

(a) Meet the qualifications established by the Commission pursuant to section 21 of this act;

(b) Submit an application to a utility and be selected by the Commission for inclusion in the Solar Program pursuant to sections 24 and 25 of this act;

(c) When installing the solar energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

(d) If the person will be participating in the Solar Program in the category of school property or public and other property, provide for the public display of the solar energy system, including, without limitation, providing for public demonstrations of the solar energy system and for hands-on experience of the solar energy system by the public.

Sec. 24. 1. If an applicant desires to participate in the Solar Program for a program year, the applicant must submit an application to a utility. If an applicant desires to participate in the category of school property or public and other property, the applicant may submit an application for multiple program years, not to exceed 5 years.

2. Each year on or before the date established by the Commission, a utility shall review each application submitted pursuant to subsection 1 to ensure that the applicant meets the qualifications and requirements to be eligible to participate in the Solar Program and submit to the Commission:

(a) The utility's recommendations as to which applications should be approved for participation in the Solar Program; and

(b) A master application containing all the applications recommended by the utility.

3. *At any time after submitting an application to a utility, an applicant may install or energize his solar energy system if the solar energy system meets all applicable building codes and all applicable requirements of the utility as approved by the Commission. An applicant who installs or energizes his solar energy system under such circumstances remains eligible to participate in the Solar Program, and the installation or energizing of the solar energy system does not alter the applicant's status on the list of participants or the prioritized waiting list pursuant to section 25 of this act.*

Sec. 25. 1. *Except as otherwise provided in subsection 2, the Commission may approve, for a program year, solar energy systems:*

(a) Totaling 1,000 kilowatts of capacity for school property;

(b) Totaling 760 kilowatts of capacity for public and other property; and

(c) Totaling 1,000 kilowatts of capacity for private residential property and small business property.

2. *If the capacity allocated to any category for a program year is not fully subscribed by participants in that category, the Commission may, in any combination it deems appropriate:*

(a) Allow a utility to submit additional applications from applicants who want to participate in that category; or

(b) Reallocate any of the unused capacity in that category to any of the other categories,

↪ but in no case may the sum of the allocated total capacities of all the categories be greater than 2,760 kilowatts, which is the sum of the approvable total capacities of all the categories as described in subsection 1.

3. *After reviewing the master application submitted by a utility pursuant to section 24 of this act, to ensure that each applicant meets the qualifications and requirements to be eligible to participate in the Solar Program, the Commission shall:*

(a) Within the limits of the capacity allocated to each category, select applicants to be participants in the Solar Program and place those applicants on a list of participants; and

(b) Select applicants to be placed on a prioritized waiting list to become participants in the Solar Program if any capacity within a category becomes available.

4. *Not later than 30 days after the date on which the Commission selects an applicant to be on the list of participants or the prioritized waiting list, the utility which submitted the application to the Commission on behalf of the applicant shall provide written notice of the selection to the applicant.*

5. *After the Commission selects an applicant to be on the list of participants, the utility which submitted the application to the Commission on behalf of the applicant may approve the solar energy system proposed by*

the applicant. Except as otherwise provided in subsection 3 of section 24 of this act, immediately upon the utility's approval of the solar energy system, the applicant may install and energize the solar energy system.

Sec. 26. 1. Except as otherwise provided in this section, if the Commission determines that a participant has not complied with the requirements for participation in the Solar Program, the Commission shall, after notice and an opportunity for a hearing, withdraw the participant from the Solar Program.

2. The Commission may, without notice or an opportunity for a hearing, withdraw from the Solar Program:

(a) A participant in the category of private residential property and small business property, if the participant does not complete the installation of a solar energy system within 12 months after the date the participant receives written notice of his selection to participate in the Solar Program.

(b) A participant in the category of school property or public and other property, if the participant does not complete the installation of a solar energy system within 30 months after the date the participant receives written notice of his selection to participate in the Solar Program.

3. A participant who is withdrawn from the Solar Program pursuant to subsection 2 forfeits any incentives.

Sec. 27. In adopting regulations for the Solar Program, the Commission shall adopt regulations establishing an incentive for participation in the Solar Program.

Sec. 28. If a solar energy system used by a participant in the Solar Program meets the requirements of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 29. 1. After a participant installs a solar energy system included in the Solar Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821.

2. The Commission shall designate the portfolio energy credits issued pursuant to this section as portfolio energy credits generated, acquired or saved from solar renewable energy systems for the purposes of the portfolio standard.

Sec. 30. 1. The Renewable Energy School Pilot Program is hereby created. The goal of the Program is to encourage the development of and determine the feasibility for the integration of renewable energy systems on school properties.

2. The Commission shall adopt regulations for the Program. Such regulations shall include, but not be limited to:

(a) A time frame for implementation of the Program;

(b) The allowed renewable energy systems and combinations of such renewable energy systems on school property;

(c) *The amount of capacity that may be installed at each school property that participates in the Program;*

(d) *A process by which a school district may apply for participation in the Program;*

(e) *Requirements for participation by a school district;*

(f) *The type of transactions allowed between a renewable energy system generator, a school district and a utility;*

(g) *Incentives which may be provided to a school district or school property to encourage participation; and*

(h) *Such other parameters as determined by the Commission and are consistent with the development of renewable energy systems at school properties.*

3. *The Program shall be limited to 10 school properties. Not more than 6 school properties from any one school district may participate in the Program.*

4. *The Commission shall adopt the regulations necessary to implement the Program not later than March 1, 2008.*

5. *The Commission shall prepare a report detailing the results of the Program and shall submit the report to the Legislature by December 1, 2008.*

6. *As used in this section:*

(a) *"Commission" means the Public Utilities Commission of Nevada.*

(b) *"Owned, leased or occupied" includes, without limitation, any real property, building or facilities which are owned, leased or occupied under a deed, lease, contract, license, permit, grant, patent or any other type of legal authorization.*

(c) *"Renewable energy system" has the meaning ascribed to it in NRS 704.7815.*

(d) *"School district" has the meaning ascribed to it in NRS 395.0075.*

(e) *"School property" means any real property, building or facilities which are owned, leased or occupied by a public school as defined in NRS 385.007.*

(f) *"Utility" has the meaning ascribed to it in section 19 of this act.*

Sec. 31. Chapter 701 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Director shall adopt regulations establishing a program for evaluating the energy consumption of residential property in this State.*

2. *The regulations must include, without limitation:*

(a) *Standards for evaluating the energy consumption of residential property; and*

(b) *Provisions prescribing a form to be used pursuant to section 50 of this act, including, without limitation, provisions that require a portion of the form to provide information on ~~the program~~ programs created pursuant to section 32.3 of this act and other programs of improving energy conservation and energy efficiency in residential property, ~~created pursuant to section 33 of this act.~~*

3. *As used in this section:*

(a) *"Dwelling unit" means any building, structure or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one person who maintains a household or by two or more persons who maintain a common household.*

(b) *"Residential property" means any land in this State to which is affixed not less than one or more than four dwelling units.*

Sec. 32. NRS 701.010 is hereby amended to read as follows:

701.010 1. The Legislature finds that:

(a) Energy is essential to the economy of the State and to the health, safety and welfare of the people of the State.

(b) The State has a responsibility to encourage the maintenance of a reliable and economical supply of energy at a level which is consistent with the protection of environmental quality.

(c) The State has a responsibility to encourage the utilization of a wide range of measures which reduce wasteful uses of energy resources.

(d) *The State and the public have an interest in encouraging public utilities to promote and take actions toward energy conservation.*

(e) Planning for energy conservation and future energy requirements should include consideration of state, regional and local plans for land use, urban expansion, transportation systems, environmental protection and economic development.

~~[(e)]~~ (f) Government and private enterprise need to accelerate research and development of sources of renewable energy and to improve technology related to the research and development of existing sources of energy.

~~[(f)]~~ (g) While government and private enterprise are seeking to accelerate research and development of sources of renewable energy, they must also prepare for and respond to the advent of competition within the electrical energy industry and are, therefore, encouraged to maximize the use of indigenous energy resources to the extent competitively and economically feasible.

~~[(g)]~~ (h) Prevention of delays and interruptions in providing energy, protecting environmental values and conserving energy require expanded authority and capability within State Government.

2. It is the policy of this State to encourage participation with all levels of government and private enterprise in cooperative state, regional and national programs to assure adequate supplies of energy resources and markets for such energy resources.

3. It is the policy of this State to assign the responsibility for managing and conserving energy and its sources to agencies whose other programs are similar, to avoid duplication of effort in developing policies and programs for energy.

Sec. 32.3. Chapter 702 of NRS is hereby amended by adding thereto a new section to read as follows:

1. At the beginning of a fiscal year, 30 percent of the money in the Fund which was allocated to the Division of Welfare and Supportive Services during the preceding fiscal year pursuant to NRS 702.260 and which remains unspent and unencumbered must be distributed to the Housing Division for a program of improving energy conservation and energy efficiency in residential property. The Housing Division may use not more than 6 percent of the money distributed pursuant to this section for its administrative expenses.

2. Except as otherwise provided in NRS 702.150, after deduction for its administrative expenses, the Housing Division may use the money distributed pursuant to this section only to provide a qualified purchaser of residential property which has received a deficient evaluation on the energy consumption of the residential property pursuant to the program established in section 31 of this act with a grant to pay for improvements designed to increase the energy conservation and energy efficiency of the residential property or to assist an eligible household in acquiring such improvements.

3. To be eligible to receive assistance from the Housing Division pursuant to this section:

(a) The purchaser of the residential property must have a household income that is not more than 80 percent of the median gross family income for the county in which the property is located, based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for that county; and

(b) The residential property must not meet the standards for energy consumption established pursuant to section 31 of this act.

4. The Housing Division shall adopt regulations to carry out and enforce the provisions of this section.

5. In carrying out the provisions of this section, the Housing Division shall:

(a) Solicit advice from the Division of Welfare and Supportive Services and from other knowledgeable persons;

(b) Identify and implement appropriate delivery systems to distribute money from the Fund and to provide other assistance pursuant to this section;

(c) Coordinate with other federal, state and local agencies that provide energy assistance or conservation services to low-income persons and, to the extent allowed by federal law and to the extent practicable, use the same simplified application forms as those other agencies;

(d) Encourage other persons to provide resources and services, including, to the extent practicable, schools and programs that provide training in the building trades and apprenticeship programs;

(e) Establish a process for evaluating the program conducted pursuant to this section;

(f) Develop a process for making changes to the program; and

(g) Engage in annual planning and evaluation processes with the Division of Welfare and Supportive Services as required by NRS 702.280.

Sec. 32.5. NRS 702.250 is hereby amended to read as follows:

702.250 1. There is hereby created as a special revenue fund in the State Treasury the Fund for Energy Assistance and Conservation. The Division of Welfare and Supportive Services shall administer the Fund.

2. In addition to the money that must be credited to the Fund from the universal energy charge, all money received from private or public sources to carry out the purposes of this chapter must be deposited in the State Treasury for credit to the Fund.

3. The Division shall, to the extent practicable, ensure that the money in the Fund is administered in a manner which is coordinated with all other sources of money that are available for energy assistance and conservation, including, without limitation, money contributed from private sources, money obtained from the Federal Government and money obtained from any agency or instrumentality of this State or political subdivision of this State.

4. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.

5. After deduction of any refunds paid from the Fund pursuant to NRS 702.160, the money in the Fund must be distributed pursuant to NRS 702.260 and 702.270, ~~and~~ and section 32.3 of this act.

Sec. 32.7. NRS 702.280 is hereby amended to read as follows:

702.280 1. The Division of Welfare and Supportive Services and the Housing Division jointly shall establish an annual plan to coordinate their activities and programs pursuant to this chapter. In preparing the annual plan, the Divisions shall solicit advice from knowledgeable persons. The annual plan must include, without limitation, a description of:

(a) The resources and services being used by each program and the efforts that will be undertaken to increase or improve those resources and services;

(b) The efforts that will be undertaken to improve administrative efficiency;

(c) The efforts that will be undertaken to coordinate with other federal, state and local agencies, nonprofit organizations and any private business or trade organizations that provide energy assistance or conservation services to low-income persons;

(d) The measures concerning program design that will be undertaken to improve program effectiveness; and

(e) The efforts that will be taken to address issues identified during the most recently completed annual evaluation conducted pursuant to subsection 2.

2. The Division of Welfare and Supportive Services and the Housing Division jointly shall:

(a) Conduct an annual evaluation of the programs that each Division carries out pursuant to NRS 702.260 and 702.270 ~~and section 32.3 of this act~~;

(b) Solicit advice from the Commission as part of the annual evaluation; and

(c) Prepare a report concerning the annual evaluation and submit the report to the Governor, the Legislative Commission and the Interim Finance Committee.

3. The report prepared pursuant to subsection 2 must include, without limitation:

(a) A description of the objectives of each program;

(b) An analysis of the effectiveness and efficiency of each program in meeting the objectives of the program;

(c) The amount of money distributed from the Fund for each program and a detailed description of the use of that money for each program;

(d) An analysis of the coordination between the Divisions concerning each program; and

(e) Any changes planned for each program.

Sec. 33. ~~[Chapter 702 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1.—At the beginning of a fiscal year, 50 percent of the money in the Fund which was allocated to the Division of Welfare and Supportive Services during the preceding fiscal year pursuant to NRS 702.260 and which remains unspent and unencumbered must be distributed to the Housing Division for a program of improving energy conservation and energy efficiency in residential property. The Housing Division may use not more than 6 percent of the money distributed pursuant to this section for its administrative expenses.~~

~~2.—Except as otherwise provided in NRS 702.150, after deduction for its administrative expenses, the Housing Division may use the money distributed pursuant to this section only to provide a qualified purchaser of residential property which has received a deficient evaluation on the energy consumption of the residential property pursuant to the program established in section 31 of this act with a grant to pay for improvements designed to increase the energy conservation and energy efficiency of the residential property or to assist an eligible household in acquiring such improvements.~~

~~3.—To be eligible to receive assistance from the Housing Division pursuant to this section:~~

~~(a) The purchaser of the residential property must have a household income that is not more than 80 percent of the median gross family income for the county in which the property is located, based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for that county; and~~

~~(b) The residential property must not meet the standards for energy consumption established pursuant to section 31 of this act.~~

~~4. The Housing Division shall adopt regulations to carry out and enforce the provisions of this section.~~

~~5. In carrying out the provisions of this section, the Housing Division shall:~~

~~(a) Solicit advice from the Division of Welfare and Supportive Services and from other knowledgeable persons;~~

~~(b) Identify and implement appropriate delivery systems to distribute money from the Fund and to provide other assistance pursuant to this section;~~

~~(c) Coordinate with other federal, state and local agencies that provide energy assistance or conservation services to low income persons and, to the extent allowed by federal law and to the extent practicable, use the same simplified application forms as those other agencies;~~

~~(d) Encourage other persons to provide resources and services, including, to the extent practicable, schools and programs that provide training in the building trades and apprenticeship programs;~~

~~(e) Establish a process for evaluating the program conducted pursuant to this section;~~

~~(f) Develop a process for making changes to the program; and~~

~~(g) Engage in annual planning and evaluation processes with the Division of Welfare and Supportive Services as required by NRS 702.280.] (Deleted by amendment.)~~

Sec. 34. ~~[NRS 702.250 is hereby amended to read as follows:~~

~~702.250 1. There is hereby created as a special revenue fund in the State Treasury the Fund for Energy Assistance and Conservation. The Division of Welfare and Supportive Services shall administer the Fund.~~

~~2. In addition to the money that must be credited to the Fund from the universal energy charge, all money received from private or public sources to carry out the purposes of this chapter must be deposited in the State Treasury for credit to the Fund.~~

~~3. The Division shall, to the extent practicable, ensure that the money in the Fund is administered in a manner which is coordinated with all other sources of money that are available for energy assistance and conservation, including, without limitation, money contributed from private sources, money obtained from the Federal Government and money obtained from any agency or instrumentality of this State or political subdivision of this State.~~

~~4. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.~~

~~5. After deduction of any refunds paid from the Fund pursuant to NRS 702.160, the money in the Fund must be distributed pursuant to NRS 702.260 and 702.270 [.] and section 33 of this act.] (Deleted by amendment.)~~

Sec. 35. ~~[NRS 702.280 is hereby amended to read as follows:~~

~~702.280 1. The Division of Welfare and Supportive Services and the Housing Division jointly shall establish an annual plan to coordinate their activities and programs pursuant to this chapter. In preparing the annual plan, the Divisions shall solicit advice from knowledgeable persons. The annual plan must include, without limitation, a description of:~~

~~(a) The resources and services being used by each program and the efforts that will be undertaken to increase or improve those resources and services;~~

~~(b) The efforts that will be undertaken to improve administrative efficiency;~~

~~(c) The efforts that will be undertaken to coordinate with other federal, state and local agencies, nonprofit organizations and any private business or trade organizations that provide energy assistance or conservation services to low income persons;~~

~~(d) The measures concerning program design that will be undertaken to improve program effectiveness; and~~

~~(e) The efforts that will be taken to address issues identified during the most recently completed annual evaluation conducted pursuant to subsection 2.~~

~~2. The Division of Welfare and Supportive Services and the Housing Division jointly shall:~~

~~(a) Conduct an annual evaluation of the programs that each Division carries out pursuant to NRS 702.260 and 702.270 [;] and section 33 of this act;~~

~~(b) Solicit advice from the Commission as part of the annual evaluation; and~~

~~(c) Prepare a report concerning the annual evaluation and submit the report to the Governor, the Legislative Commission and the Interim Finance Committee.~~

~~3. The report prepared pursuant to subsection 2 must include, without limitation:~~

~~(a) A description of the objectives of each program;~~

~~(b) An analysis of the effectiveness and efficiency of each program in meeting the objectives of the program;~~

~~(c) The amount of money distributed from the Fund for each program and a detailed description of the use of that money for each program;~~

~~(d) An analysis of the coordination between the Divisions concerning each program; and~~

~~(e) Any changes planned for each program.] (Deleted by amendment.)~~

Sec. 36. NRS 703.130 is hereby amended to read as follows:

703.130 1. The Commission shall appoint a Deputy Commissioner who shall serve in the unclassified service of the State.

2. The Commission shall appoint a Secretary who shall perform such administrative and other duties as are prescribed by the Commission. The Commission shall also appoint an Assistant Secretary.

3. The Commission may employ such other clerks, experts or engineers as may be necessary.

4. Except as otherwise provided in subsection 5, the Commission:

(a) May appoint one or more hearing officers for a period specified by the Commission to conduct proceedings or hearings that may be conducted by the Commission pursuant to NRS 702.160 and 702.170 and chapters 704, 704A, 704B, 705, 708 and 711 of NRS.

(b) Shall prescribe by regulation the procedure for appealing a decision of a hearing officer to the Commission.

5. The Commission shall not appoint a hearing officer to conduct proceedings or hearings:

(a) In any matter pending before the Commission pursuant to NRS 704.7561 to 704.7595, inclusive; or

(b) In any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which an electric utility has filed a general rate application or an *annual deferred energy accounting adjustment* application. ~~{to clear its deferred accounts.}~~

6. As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 37. NRS 703.320 is hereby amended to read as follows:

703.320 Except as otherwise provided in ~~{subsection 8}~~ *subsections 8 and 9* of NRS 704.110:

1. In any matter pending before the Commission, if a hearing is required by a specific statute or is otherwise required by the Commission, the Commission shall give notice of the pendency of the matter to all persons entitled to notice of the hearing. The Commission shall by regulation specify:

(a) The manner of giving notice in each type of proceeding; and

(b) The persons entitled to notice in each type of proceeding.

2. The Commission shall not dispense with a hearing:

(a) In any matter pending before the Commission pursuant to NRS 704.7561 to 704.7595, inclusive; or

(b) Except as otherwise provided in *paragraph (f) of subsection {5}* 1 of NRS 704.100, in any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which an electric utility has filed a general rate application or an ~~{application to clear its deferred accounts.}~~ *annual deferred energy accounting adjustment application pursuant to NRS 704.187.*

3. In any other matter pending before the Commission, the Commission may dispense with a hearing and act upon the matter pending unless, within 10 days after the date of the notice of pendency, a person entitled to notice of the hearing files with the Commission a request that the hearing be held. If such a request for a hearing is filed, the Commission shall give at least 10 days' notice of the hearing.

4. As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 38. Chapter 704 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Commission shall adopt regulations to establish methods and programs for a public utility which purchases natural gas for resale that remove financial disincentives which discourage the public utility from supporting energy conservation, including, without limitation:*

(a) *Procedures for a public utility which purchases natural gas for resale to have a mechanism established during a general rate application filed pursuant to NRS 704.110 to ensure that the costs of the public utility for providing service are recovered without regard to the difference in the quantity of natural gas actually sold by the public utility by taking into account the adjusted and annualized quantity of natural gas sold during a test year and the growth in the number of customers of the public utility;*

(b) *Procedures for a public utility which purchases natural gas for resale to apply to the Commission for approval of an activity relating to increasing energy efficiency or energy conservation; and*

(c) *Procedures for a public utility which purchases natural gas for resale to apply to the Commission for the recovery of costs associated with an activity approved by the Commission pursuant to paragraph (b).*

2. *The regulations adopted pursuant to subsection 1 must ensure that the methods and programs consider the recovery of costs, stabilization of revenue and any reduction of risk for the public utility which purchases natural gas for resale.*

Sec. 39. NRS 704.062 is hereby amended to read as follows:

704.062 "Application to make changes in any schedule" and "application" include, without limitation:

1. A general rate application;
2. An application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale; and
3. An *annual deferred energy accounting adjustment* application. ~~to clear deferred accounts.~~

Sec. 40. NRS 704.069 is hereby amended to read as follows:

704.069 1. Except as otherwise provided in ~~subsection 8~~ *subsections 8 and 9* of NRS 704.110, the Commission shall conduct a consumer session to solicit comments from the public in any matter pending before the Commission pursuant to NRS 704.061 to 704.110, inclusive, in which:

(a) A public utility has filed a general rate application, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale ~~for an application to clear its deferred accounts~~, *an annual deferred energy accounting adjustment application pursuant to NRS 704.187 or an annual rate adjustment application; and*

(b) The changes proposed in the application will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount

that will exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less.

2. In addition to the case-specific consumer sessions required by subsection 1, the Commission shall, during each calendar year, conduct at least one general consumer session in the county with the largest population in this State and at least one general consumer session in the county with the second largest population in this State. At each general consumer session, the Commission shall solicit comments from the public on issues concerning public utilities. Not later than 60 days after each general consumer session, the Commission shall submit the record from the general consumer session to the Legislative Commission.

Sec. 41. NRS 704.100 is hereby amended to read as follows:

704.100 *1.* Except as otherwise provided in NRS 704.075 and 704.68904 to 704.68984, inclusive, or as may otherwise be provided by the Commission pursuant to NRS 704.095 or 704.097 or pursuant to the regulations adopted by the Commission in accordance with subsection 4 of NRS 704.040:

~~{1-}~~ (a) A public utility shall not make changes in any schedule, unless the public utility:

~~{(a)}~~ (1) Files with the Commission an application to make the proposed changes and the Commission approves the proposed changes pursuant to NRS 704.110; or

~~{(b)}~~ (2) Files the proposed changes with the Commission using a letter of advice in accordance with the provisions of ~~{subsection 5-}~~.

~~2-}~~ *paragraph (f).*

(b) A public utility shall adjust its rates on a quarterly basis between annual rate adjustment applications pursuant to subsection 8 of NRS 704.110 based on changes in the public utility's recorded costs of natural gas purchased for resale.

~~{3-}~~ (c) *An electric utility shall, between annual deferred energy accounting adjustment applications filed pursuant to NRS 704.187, adjust its rates on a quarterly basis pursuant to subsection 9 of NRS 704.110.*

(d) A public utility shall post copies of all proposed schedules and all new or amended schedules in the same offices and in substantially the same form, manner and places as required by NRS 704.070 for the posting of copies of schedules that are currently in force.

~~{4-}~~ (e) A public utility may not set forth as justification for a rate increase any items of expense or rate base that previously have been considered and disallowed by the Commission, unless those items are clearly identified in the application and new facts or considerations of policy for each item are advanced in the application to justify a reversal of the prior decision of the Commission.

~~{5-}~~ (f) Except as otherwise provided in ~~{subsection 6-}~~ *paragraph (g)*, if the proposed change in any schedule does not change any rate or will result

in an increase in annual gross operating revenue, as certified by the public utility, in an amount that does not exceed \$2,500:

~~{(a)}~~ (1) The public utility may file the proposed change with the Commission using a letter of advice in lieu of filing an application; and

~~{(b)}~~ (2) The Commission shall determine whether it should dispense with a hearing regarding the proposed change.

~~{(c)}~~ (g) If the applicant is a public utility furnishing telephone service and the proposed change in any schedule will result in an increase in annual gross operating revenue, as certified by the applicant, in an amount that does not exceed \$50,000 or 10 percent of the applicant's annual gross operating revenue, whichever is less, the Commission shall determine whether it should dispense with a hearing regarding the proposed change.

~~{(d)}~~ (h) In making the determination pursuant to ~~{subsection 5 or 6,}~~ paragraph (f) or (g), the Commission shall first consider all timely written protests, any presentation that the Regulatory Operations Staff of the Commission may desire to present, the application of the public utility and any other matters deemed relevant by the Commission.

2. *As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.*

Sec. 42. NRS 704.110 is hereby amended to read as follows:

704.110 Except as otherwise provided in NRS 704.075 and 704.68904 to 704.68984, inclusive, or as may otherwise be provided by the Commission pursuant to NRS 704.095 or 704.097 or pursuant to the regulations adopted by the Commission in accordance with subsection 4 of NRS 704.040:

1. If a public utility files with the Commission an application to make changes in any schedule, including, without limitation, changes that will result in a discontinuance, modification or restriction of service, the Commission shall investigate the propriety of the proposed changes to determine whether to approve or disapprove the proposed changes. If an electric utility files such an application and the application is a general rate application or an *annual deferred energy accounting adjustment* application, ~~{to clear its deferred accounts,}~~ the Consumer's Advocate shall be deemed a party of record.

2. Except as otherwise provided in subsections 3 and ~~{13,}~~ 12, if a public utility files with the Commission an application to make changes in any schedule, the Commission shall issue a written order approving or disapproving, in whole or in part, the proposed changes:

(a) For a public utility that is a PAR carrier, not later than 180 days after the date on which the application is filed; and

(b) For all other public utilities, not later than 210 days after the date on which the application is filed.

3. If a public utility files with the Commission a general rate application, the public utility shall submit with its application a statement showing the recorded results of revenues, expenses, investments and costs of capital for its most recent 12 months for which data were available when the application

was prepared. Except as otherwise provided in subsection 4, in determining whether to approve or disapprove any increased rates, the Commission shall consider evidence in support of the increased rates based upon actual recorded results of operations for the same 12 months, adjusted for increased revenues, any increased investment in facilities, increased expenses for depreciation, certain other operating expenses as approved by the Commission and changes in the costs of securities which are known and are measurable with reasonable accuracy at the time of filing and which will become effective within 6 months after the last month of those 12 months, but the public utility shall not place into effect any increased rates until the changes have been experienced and certified by the public utility to the Commission and the Commission has approved the increased rates. The Commission shall also consider evidence supporting expenses for depreciation, calculated on an annual basis, applicable to major components of the public utility's plant placed into service during the recorded test period or the period for certification as set forth in the application. Adjustments to revenues, operating expenses and costs of securities must be calculated on an annual basis. Within 90 days after the date on which the certification required by this subsection is filed with the Commission, or within the period set forth in subsection 2, whichever time is longer, the Commission shall make such order in reference to the increased rates as is required by this chapter. An electric utility shall file a general rate application pursuant to this subsection at least once every 24 ~~36~~ months based on the following schedule:

(a) An electric utility that primarily serves less densely populated counties shall file a general rate application on or before October 3, 2005, ~~December 3, 2007~~, and at least once every 24 ~~36~~ months thereafter.

(b) An electric utility that primarily serves densely populated counties shall file a general rate application on or before November 15, 2006, ~~December 3, 2008~~, and at least once every 24 ~~36~~ months thereafter.

4. In addition to submitting the statement required pursuant to subsection 3, a public utility which purchases natural gas for resale ~~for an electric utility~~ may submit with its general rate application a statement showing the effects, on an annualized basis, of all expected changes in circumstances. If such a statement is filed, it must include all increases and decreases in revenue and expenses which may occur within 210 days after the date on which its general rate application is filed with the Commission if such expected changes in circumstances are reasonably known and are measurable with reasonable accuracy. If a public utility submits such a statement, the public utility has the burden of proving that the expected changes in circumstances set forth in the statement are reasonably known and are measurable with reasonable accuracy. If the Commission determines that the public utility has met its burden of proof:

(a) The Commission shall consider the statement submitted pursuant to this subsection and evidence relevant to the statement in addition to the

statement required pursuant to subsection 3 as evidence in establishing just and reasonable rates for the public utility; and

(b) The public utility is not required to file with the Commission the certification that would otherwise be required pursuant to subsection 3.

5. If a public utility files with the Commission an application to make changes in any schedule and the Commission does not issue a final written order regarding the proposed changes within the time required by this section, the proposed changes shall be deemed to be approved by the Commission.

6. If a public utility files with the Commission a general rate application, the public utility shall not file with the Commission another general rate application until all pending general rate applications filed by that public utility have been decided by the Commission unless, after application and hearing, the Commission determines that a substantial financial emergency would exist if the public utility is not permitted to file another general rate application sooner. The provisions of this subsection do not prohibit the public utility from filing with the Commission, while a general rate application is pending, an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale pursuant to subsection 7, *a quarterly rate adjustment pursuant to subsection 8 or 9, any information relating to deferred accounting requirements pursuant to NRS 704.185 or an annual deferred energy accounting adjustment application* ~~to clear its deferred accounts pursuant to subsection 9,~~ *pursuant to NRS 704.187, if the public utility is otherwise authorized to so file by those provisions.* ~~to file such an application.~~

7. A public utility may file an application to recover the increased cost of purchased fuel, purchased power, or natural gas purchased for resale once every 30 days. The provisions of this subsection do not apply to:

(a) An electric utility ~~using deferred accounting pursuant to NRS 704.187,~~ *which is required to adjust its rates on a quarterly basis pursuant to subsection 9;* or

(b) A public utility which purchases natural gas for resale and which adjusts its rates on a quarterly basis between annual rate adjustment applications pursuant to subsection 8.

8. A public utility which purchases natural gas for resale must request approval from the Commission to adjust its rates on a quarterly basis between annual rate adjustment applications based on changes in the public utility's recorded costs of natural gas purchased for resale. If the Commission approves such a request:

(a) The public utility shall file written notice with the Commission before the public utility makes a quarterly rate adjustment between annual rate adjustment applications. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to NRS 703.320 or the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(b) The public utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The public utility shall begin providing such written notice to its customers not later than 30 days after the date on which the public utility files its written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:

(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and

(2) Must include the following:

(I) The total amount of the increase or decrease in the public utility's revenues from the rate adjustment, stated in dollars and as a percentage;

(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;

(III) A statement that customers may send written comments or protests regarding the rate adjustment to the Commission; and

(IV) Any other information required by the Commission.

(c) The public utility shall file an annual rate adjustment application with the Commission. The annual rate adjustment application is subject to the requirements for notice and a hearing pursuant to NRS 703.320 and the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.

(d) The proceeding regarding the annual rate adjustment application must include a review of each quarterly rate adjustment and a review of the transactions and recorded costs of natural gas included in each quarterly rate adjustment and the annual rate adjustment application. There is no presumption of reasonableness or prudence for any quarterly rate adjustment or for any transactions or recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application, and the public utility has the burden of proving reasonableness and prudence in the proceeding.

(e) The Commission shall not allow the public utility to recover any recorded costs of natural gas which were the result of any practice or transaction that was unreasonable or was undertaken, managed or performed imprudently by the public utility, and the Commission shall order the public utility to adjust its rates if the Commission determines that any recorded costs of natural gas included in any quarterly rate adjustment or the annual rate adjustment application were not reasonable or prudent.

9. ~~Except as otherwise provided in subsection 10 and subsection 5 of NRS 704.100, if an electric utility using deferred accounting pursuant to NRS 704.187 files an application to clear its deferred accounts and to change one or more of its rates based upon changes in the costs for purchased fuel or purchased power, the Commission, after a public hearing and by an appropriate order:~~

~~(a) Shall allow the electric utility to clear its deferred accounts by refunding any credit balance or recovering any debit balance over a period not to exceed 3 years, as determined by the Commission.~~

~~(b) Shall not allow the electric utility to recover any debit balance, or portion thereof, in an amount that would result in a rate of return during the period of recovery that exceeds the rate of return authorized by the Commission in the most recently completed rate proceeding for the electric utility.~~

~~10. Before allowing an electric utility to clear its deferred accounts pursuant to subsection 9, the Commission shall determine whether the costs for purchased fuel and purchased power that the electric utility recorded in its deferred accounts are recoverable and whether the revenues that the electric utility collected from customers in this State for purchased fuel and purchased power are properly recorded and credited in its deferred accounts. The Commission shall not allow the electric utility to recover any costs for purchased fuel and purchased power that were the result of any practice or transaction that was undertaken, managed or performed imprudently by the electric utility.~~

~~11. An electric utility shall adjust its rates on a quarterly basis based on changes in the public utility's recorded costs of purchased fuel or purchased power in the following manner:~~

~~(a) An electric utility shall file written notice with the Commission on or before August 15, 2007, and every quarter thereafter of the quarterly rate adjustment to be made by the electric utility for the following quarter. The first quarterly rate adjustment by the electric utility will take effect on October 1, 2007, and each subsequent quarterly rate adjustment will take effect every quarter thereafter. A quarterly rate adjustment is not subject to the requirements for notice and a hearing pursuant to NRS 703.320 or the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.~~

~~(b) Each electric utility shall provide written notice of each quarterly rate adjustment to its customers by including the written notice with a customer's regular monthly bill. The electric utility shall begin providing such written notice to its customers not later than 30 days after the date on which the electric utility files a written notice with the Commission pursuant to paragraph (a). The written notice that is included with a customer's regular monthly bill:~~

~~(1) Must be printed separately on fluorescent-colored paper and must not be attached to the pages of the bill; and~~

~~(2) Must include the following:~~

~~(I) The total amount of the increase or decrease in the electric utility's revenues from the rate adjustment, stated in dollars and as a percentage;~~

~~(II) The amount of the monthly increase or decrease in charges for each class of customer or class of service, stated in dollars and as a percentage;~~

(III) *A statement that customers may send written comments or protests regarding the rate adjustment to the Commission; and*

(IV) *Any other information required by the Commission.*

(c) *An electric utility shall file an annual deferred energy accounting adjustment application pursuant to NRS 704.187 with the Commission. The annual deferred energy accounting adjustment application is subject to the requirements for notice and a hearing pursuant to NRS 703.320 and the requirements for a consumer session pursuant to subsection 1 of NRS 704.069.*

(d) *The proceeding regarding the annual deferred energy accounting adjustment application must include a review of each quarterly rate adjustment and a review of the transactions and recorded costs of purchased fuel and purchased power included in each quarterly rate adjustment and the annual deferred energy accounting adjustment application.*

10. If an electric utility files an *annual deferred energy accounting adjustment* application ~~{to clear its deferred accounts}~~ pursuant to subsection 9 and NRS 704.187 while a general rate application is pending, the electric utility shall:

(a) Submit with its *annual deferred energy accounting adjustment* application ~~{to clear its deferred accounts}~~ information relating to the cost of service and rate design; and

(b) Supplement its general rate application with the same information, if such information was not submitted with the general rate application.

~~{12.}~~ 11. A utility facility identified in a 3-year plan submitted pursuant to NRS 704.741 and accepted by the Commission for acquisition or construction pursuant to NRS 704.751 and the regulations adopted pursuant thereto shall be deemed to be a prudent investment. The utility may recover all just and reasonable costs of planning and constructing such a facility.

~~{13.}~~ 12. A PAR carrier may, in accordance with this section and NRS 704.100, file with the Commission a request to approve or change any schedule to provide volume or duration discounts to rates for telecommunication service for an offering made to all or any class of business customers. The Commission may conduct a hearing relating to the request, which must occur within 45 days after the date the request is filed with the Commission. The request and schedule shall be deemed approved if the request and schedule are not disapproved by the Commission within 60 days after the date the Commission receives the request.

~~{14.}~~ 13. As used in this section:

(a) "Electric utility" has the meaning ascribed to it in NRS 704.187.

(b) "Electric utility that primarily serves densely populated counties" ~~{has the meaning ascribed to it in NRS 704.187.}~~ *means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is 400,000 or more than it does from customers located in counties whose population is less than 400,000.*

(c) "Electric utility that primarily serves less densely populated counties" ~~[has the meaning ascribed to it in NRS 704.187.]~~ *means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is less than 400,000 than it does from customers located in counties whose population is 400,000 or more.*

(d) "PAR carrier" has the meaning ascribed to it in NRS 704.68942.

Sec. 43. NRS 704.187 is hereby amended to read as follows:

704.187 1. ~~[Except as otherwise provided in section 36 of chapter 16, Statutes of Nevada 2001, beginning on March 1, 2001, an]~~ An electric utility that purchases fuel or power shall use deferred accounting by recording upon its books and records in deferred accounts all increases and decreases in costs for purchased fuel and purchased power that are prudently incurred by the electric utility.

2. An electric utility using deferred accounting shall include in its annual report to the Commission a statement showing, for the period of recovery, the allocated rate of return for each of its operating departments in this State using deferred accounting. If, during the period of recovery, the rate of return for any operating department using deferred accounting is greater than the rate of return authorized by the Commission in the most recently completed rate proceeding for the electric utility, the Commission shall order the electric utility that recovered costs for purchased fuel or purchased power through its rates during the reported period to transfer to the next energy adjustment period that portion of the amount recovered by the electric utility that exceeds the authorized rate of return.

3. Except as otherwise provided in this section, an electric utility using deferred accounting shall file an annual *deferred energy accounting adjustment* application ~~[to clear its deferred accounts based on the following schedule:~~

~~(a) An electric utility that primarily serves less densely populated counties shall file an annual application to clear its deferred accounts on December 1, 2005, and in December] on or before March 1, 2008, and on or before March 1 of each year thereafter . [on a date specified by the Commission.~~

~~(b) An electric utility that primarily serves densely populated counties shall file an annual application to clear its deferred accounts on January 17, 2006, and in January of each year thereafter on a date specified by the Commission.]~~

4. ~~[An electric utility using deferred accounting may file a semiannual application to clear its deferred accounts if the net change in revenues necessary to clear its deferred accounts for the reported period is more than 5 percent of the total revenues generated by the electric utility during that period from its rates for purchased fuel and purchased power most recently authorized by the Commission.~~

~~5.]~~ As used in this section:

(a) ~~["Application to clear its deferred accounts"]~~ "Annual deferred energy accounting adjustment application" means an application filed by an electric utility pursuant to this section and subsection 9 of NRS 704.110.

(b) "Costs for purchased fuel and purchased power" means all costs which are prudently incurred by an electric utility and which are required to purchase fuel, to purchase capacity and to purchase energy. The term does not include any costs that the Commission determines are not recoverable pursuant to subsection ~~[10]~~ 9 of NRS 704.110.

(c) "Electric utility" means any public utility or successor in interest that:

(1) Is in the business of providing electric service to customers;

(2) Holds a certificate of public convenience and necessity issued or transferred pursuant to this chapter; and

(3) In the most recently completed calendar year or in any other calendar year within the 7 calendar years immediately preceding the most recently completed calendar year, had a gross operating revenue of \$250,000,000 or more in this State.

➡ The term does not include a cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.

~~[(d) "Electric utility that primarily serves densely populated counties" means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is 400,000 or more than it does from customers located in counties whose population is less than 400,000.~~

~~[(e) "Electric utility that primarily serves less densely populated counties" means an electric utility that, with regard to the provision of electric service, derives more of its annual gross operating revenue in this State from customers located in counties whose population is less than 400,000 than it does from customers located in counties whose population is 400,000 or more.]~~

Sec. 44. ~~[NRS 704.771 is hereby amended to read as follows:~~

~~704.771—1. "Net metering system" means a facility or energy system for the generation of electricity that:~~

~~[1.] (a) Uses renewable energy as its primary source of energy to generate electricity;~~

~~[2.] (b) Has a generating capacity of not more than [150 kilowatts;~~

~~3.] 1 megawatt;~~

~~(c) Is located on the customer generator's premises;~~

~~[4.] (d) Operates in parallel with the utility's transmission and distribution facilities; and~~

~~[5.] (e) Is intended primarily to offset part or all of the customer generator's requirements for electricity.~~

~~2. The term does not include a facility or energy system for the generation of electricity which has a generating capacity that exceeds the greater of:~~

~~(a) The limit on the demand that the class of customer of the customer-generator may place on the system of the utility; or~~

~~(b) One hundred fifty percent of the peak demand of the customer.]~~
~~(Deleted by amendment.)~~

Sec. 45. ~~[NRS 704.773 is hereby amended to read as follows:~~

~~704.773 1. A utility shall offer net metering, as set forth in NRS 704.775, to the customer-generators operating within its service area until the cumulative capacity of all such net metering systems is equal to 1 percent of the utility's peak capacity.~~

~~2. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of not more than [30] 100 kilowatts, the utility:~~

~~(a) Shall offer to make available to the customer-generator an energy meter that is capable of registering the flow of electricity in two directions.~~

~~(b) May, at its own expense and with the written consent of the customer-generator, install one or more additional meters to monitor the flow of electricity in each direction.~~

~~(c) Shall not charge a customer-generator any fee or charge that would increase the customer-generator's minimum monthly charge to an amount greater than that of other customers of the utility in the same rate class as the customer-generator.~~

~~3. If the net metering system of a customer-generator who accepts the offer of a utility for net metering has a capacity of more than [30] 100 kilowatts, the utility may:~~

~~(a) Require the customer-generator to install at its own cost [an]:~~

~~(1) An energy meter that is capable of measuring generation output and customer load [.]; and~~

~~(2) Any upgrades to the system of the utility that are required to make the net metering system compatible with the system of the utility.~~

~~(b) [Charge] Except as otherwise provided in paragraph (c), charge the customer-generator any applicable fee or charge charged to other customers of the utility in the same rate class as the customer-generator, including, without limitation, customer, demand and facility charges.~~

~~(c) Not charge the customer-generator any standby charge.~~

~~At the time of installation or upgrade of any portion of a net metering system, the utility must require or allow a customer-generator governed by this subsection to pay the entire cost of the installation or upgrade of the portion of the net metering system.~~

~~4. The Commission shall adopt regulations prescribing the form and substance for a net metering tariff and a standard net metering contract. The regulations must include, without limitation:~~

~~(a) The particular provisions, limitations and responsibilities of a customer generator which must be included in a net metering tariff with regard to:~~

- ~~(1) Metering equipment;~~
- ~~(2) Net energy measurement and billing; and~~
- ~~(3) Interconnection;~~

~~→ based on the allowable size of the net metering system.~~

~~(b) The particular provisions, limitations and responsibilities of a customer generator and the utility which must be included in a standard net metering contract.~~

~~(c) A timeline for processing applications and contracts for net metering applicants.~~

~~(d) Any other provisions the Commission finds necessary to carry out the provisions of NRS 704.766 to 704.775, inclusive. (Deleted by amendment.)~~

Sec. 46. ~~[NRS 704.775 is hereby amended to read as follows:~~

~~704.775 1. The billing period for net metering must be a monthly period.~~

~~2. [If a customer generator's net metering system has a capacity of not more than 30 kilowatts, the] The net energy measurement must be calculated in the following manner:~~

~~(a) The utility shall measure, in kilowatt hours, the net electricity produced or consumed during the billing period, in accordance with normal metering practices.~~

~~(b) If the electricity supplied by the utility exceeds the electricity generated by the customer generator which is fed back to the utility during the billing period, the customer generator must be billed for the net electricity supplied by the utility.~~

~~(c) If the electricity generated by the customer generator which is fed back to the utility exceeds the electricity supplied by the utility during the billing period:~~

~~(1) Neither the utility nor the customer generator is entitled to compensation for electricity provided to the other during the billing period.~~

~~(2) The excess electricity which is fed back to the utility during the billing period is carried forward to the next billing period as an addition to the kilowatt hours generated by the customer generator in that billing period. If the customer generator is billed for electricity pursuant to a time-of-use rate schedule, the excess electricity carried forward must be added to the same time-of-use period as the time of use period in which it was generated unless the subsequent billing period lacks a corresponding time-of-use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time-of-use periods.~~

~~(3) Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer generator is not entitled to receive compensation for any excess electricity that remains if:~~

~~(I) The net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities;~~

~~(II) The customer generator ceases to be a customer of the utility at the premises served by the net metering system; or~~

~~(III) The customer generator transfers the net metering system to another person.~~

~~(4) The value of the excess electricity [which is fed back to the utility shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.~~

3.— If a customer generator's net metering system has a capacity of more than 30 kilowatts, the net energy measurement must be calculated in the following manner:

(a) The utility shall:

(1) Measure, in kilowatt hours, the amount of electricity supplied by the utility to the customer generator during the billing period and calculate its value using the tariff that would be applicable if the customer generator did not use a net metering system; and

(2) Measure, in kilowatt hours, the amount of electricity generated by the customer generator which is fed back to the utility during the billing period and calculate its value at a rate that is consistent with the rate used to calculate the value of the electricity supplied by the utility.

(b) If the value of electricity supplied by the utility exceeds the value of the electricity generated by the customer generator which is fed back to the utility during the billing period, the customer generator must be billed for the net value of the electricity supplied by the utility.

(c) If the value of the electricity generated by the customer generator which is fed back to the utility exceeds the value of the electricity supplied by the utility during the billing period:

(1) Neither the utility nor the customer generator is entitled to compensation for the value of the electricity provided to the other during the billing period.

(2) The value of the excess electricity:

(I) Must not be shown as a credit on the customer generator's bill for that billing period but must be reflected as a credit that is carried forward to offset the value of the electricity supplied by the utility during a subsequent billing period. At the discretion of the utility, the credit may be in a dollar amount or in kilowatt hours. If the credit is reflected as excess electricity and the customer generator is billed for electricity pursuant to a time of use rate schedule, the excess electricity carried forward must be added to the same time of use period as the time of use period in which it was generated unless the subsequent billing period lacks a corresponding time of use period. In that case, the excess electricity carried forward must be apportioned evenly among the available time of use periods. Excess electricity may be carried forward to subsequent billing periods indefinitely, but a customer generator

is not entitled to receive compensation for any excess electricity that remains if the net metering system ceases to operate or is disconnected from the utility's transmission and distribution facilities, the customer generator ceases to be a customer of the utility at the premises served by the net metering system or the customer generator transfers the net metering system to another person.

(II) ~~Does not reduce any other fee or charge imposed by the utility.~~

(3) ~~The excess electricity which is fed back to the utility] must not be used to reduce any other fee or charge imposed by the utility.~~

~~3. If the cost of purchasing and installing a net metering system was paid for:~~

~~(a) In whole or in part by a utility, the electricity generated by the net metering system shall be deemed to be electricity that the utility generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard pursuant to NRS 704.7801 to 704.7828, inclusive.~~

~~(b) Entirely by a customer generator, the Commission shall issue to the customer generator portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the electricity generated by the net metering system.~~

~~4. A bill for electrical service is due at the time established pursuant to the terms of the contract between the utility and the customer generator.]~~
~~(Deleted by amendment.)~~

Sec. 47. NRS 704.7802 is hereby amended to read as follows:

704.7802 1. "Energy efficiency measure" means any measure designed, intended or used to improve energy efficiency if:

(a) The measure is installed on or after January 1, 2005, at the service location of a retail customer of a provider of electric service in this State;

(b) The measure reduces the consumption of energy by the retail customer; and

(c) The costs of the acquisition or installation of the measure are directly reimbursed, in whole or in part, by the provider of electric service.

2. The term does not include:

~~(a) Any~~ any demand response measure or load limiting measure that shifts the consumption of energy by a retail customer from one period to another period.

~~[(b) Any solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity or any fossil fuel.]~~

Sec. 48. ~~[NRS 704.7821 is hereby amended to read as follows:~~

~~704.7821 1. For each provider of electric service, the Commission shall establish a portfolio standard. The portfolio standard must require each provider to generate, acquire or save electricity from portfolio energy systems or efficiency measures in an amount that is:~~

~~(a) For calendar years 2005 and 2006, not less than 6 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.~~

~~(b) For calendar years 2007 and 2008, not less than 9 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.~~

~~(c) For calendar years 2009 and 2010, not less than 12 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.~~

~~(d) For calendar years 2011 and 2012, not less than 15 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.~~

~~(e) For calendar years 2013 and 2014, not less than 18 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.~~

~~(f) For calendar year 2015 and for each calendar year thereafter, not less than 20 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.~~

~~2. In addition to the requirements set forth in subsection 1, the portfolio standard for each provider must require that:~~

~~(a) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not less than [5] 6 percent of that amount must be generated or acquired from solar renewable energy systems.~~

~~(b) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures. If the provider intends to use energy efficiency measures to comply with its portfolio standard during any calendar year, of the total amount of electricity saved from energy efficiency measures for which the provider seeks to obtain portfolio energy credits pursuant to this paragraph, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.~~

~~(c) If the provider acquires or saves electricity from a portfolio energy system or efficiency measure pursuant to a renewable energy contract or energy efficiency contract with another party:~~

~~(1) The term of the contract must be not less than 10 years, unless the other party agrees to a contract with a shorter term; and~~

~~(2) The terms and conditions of the contract must be just and reasonable, as determined by the Commission. If the provider is a utility provider and the Commission approves the terms and conditions of the contract between the utility provider and the other party, the contract and its terms and conditions shall be deemed to be a prudent investment and the utility provider may recover all just and reasonable costs associated with the contract.~~

~~3. If, for the benefit of one or more of its retail customers in this State, the provider has directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.~~

~~4. The Commission shall adopt regulations that establish a system of portfolio energy credits that may be used by a provider to comply with its portfolio standard.~~

~~5. Except as otherwise provided in subsection 6, each provider shall comply with its portfolio standard during each calendar year.~~

~~6. If, for any calendar year, a provider is unable to comply with its portfolio standard through the generation of electricity from its own renewable energy systems or, if applicable, through the use of portfolio energy credits, the provider shall take actions to acquire or save electricity pursuant to one or more renewable energy contracts or energy efficiency contracts. If the Commission determines that, for a calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the Commission shall exempt the provider, for that calendar year, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission.~~

~~7. The Commission shall adopt regulations that establish:~~

~~(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.~~

~~(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.~~

~~8. As used in this section:~~

~~(a) "Energy efficiency contract" means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.~~

~~(b) "Renewable energy contract" means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.~~

~~(e) "Terms and conditions" includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.] (Deleted by amendment.)~~

Sec. 49. ~~[NRS 704.860 is hereby amended to read as follows:~~

~~704.860 "Utility facility" means:~~

~~1. Electric generating plants and their associated facilities, except:~~

~~(a) Electric generating plants and their associated facilities that are or will be located entirely within the boundaries of a county whose population is 100,000 or more; or~~

~~(b) Electric generating plants and their associated facilities which use or will use renewable energy, as defined in NRS 704.7811, as their primary source of energy to generate electricity and which have or will have a generating capacity of not more than [150 kilowatts,] / megawatt, including, without limitation, a net metering system, as defined in NRS 704.771.~~

~~As used in this subsection, "associated facilities" includes, without limitation, any facilities for the storage, transmission or treatment of water, including, without limitation, facilities to supply water or for the treatment or disposal of wastewater, which support or service an electric generating plant.~~

~~2. Electric transmission lines and transmission substations that:~~

~~(a) Are designed to operate at 200 kilovolts or more;~~

~~(b) Are not required by local ordinance to be placed underground; and~~

~~(c) Are constructed outside any incorporated city.~~

~~3. Gas transmission lines, storage plants, compressor stations and their associated facilities when constructed outside:~~

~~(a) Any incorporated city; and~~

~~(b) Any county whose population is 100,000 or more.~~

~~4. Water storage, transmission and treatment facilities, other than facilities for the storage, transmission or treatment of water from mining operations.~~

~~5. Sewer transmission and treatment facilities.] (Deleted by amendment.)~~

Sec. 50. Chapter 113 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 3, the seller shall have the energy consumption of the residential property evaluated pursuant to the program established in section 31 of this act.

2. Except as otherwise provided in subsection 4, before closing a transaction for the conveyance of residential property, the seller shall serve the purchaser with the completed evaluation required pursuant to subsection 1, if any, on a form to be provided by the Director of the Office of Energy, as prescribed in regulations adopted pursuant to section 31 of this act.

3. Subsection 1 does not apply to a sale or intended sale of residential property:

(a) By foreclosure pursuant to chapter 107 of NRS.

(b) Between any co-owners of the property, spouses or persons related within the third degree of consanguinity.

(c) By a person who takes temporary possession or control of or title to the property solely to facilitate the sale of the property on behalf of a person who relocates to another county, state or country before title to the property is transferred to a purchaser.

(d) If the seller and purchaser agree to waive the requirements of subsection 1.

4. If an evaluation of a residential property was completed not more than 5 years before the seller and purchaser entered into the agreement to purchase the residential property, the seller may serve the purchaser with that evaluation.

Sec. 51. NRS 228.360 is hereby amended to read as follows:

228.360 The Consumer's Advocate:

1. Shall intervene in and represent the public interest in:

(a) All proceedings conducted pursuant to NRS 704.7561 to 704.7595, inclusive; and

(b) All proceedings conducted pursuant to NRS 704.061 to 704.110, inclusive, in which an electric utility has filed a general rate application or an annual deferred energy accounting adjustment application . ~~to clear its deferred accounts.~~

2. May, with respect to all public utilities except railroads and cooperative utilities, and except as otherwise provided in NRS 228.380:

(a) Conduct or contract for studies, surveys, research or expert testimony relating to matters affecting the public interest or the interests of utility customers.

(b) Examine any books, accounts, minutes, records or other papers or property of any public utility subject to the regulatory authority of the Public Utilities Commission of Nevada in the same manner and to the same extent as authorized by law for members of the Public Utilities Commission of Nevada and its staff.

(c) Except as otherwise provided in subsection 1, petition for, request, initiate, appear or intervene in any proceeding concerning rates, charges, tariffs, modifications of service or any related matter before the Public Utilities Commission of Nevada or any court, regulatory body, board, commission or agency having jurisdiction over any matter which the Consumer's Advocate may bring before or has brought before the Public Utilities Commission of Nevada or in which the public interest or the interests of any particular class of utility customers are involved. The Consumer's Advocate may represent the public interest or the interests of any particular class of utility customers in any such proceeding, and he is a real party in interest in the proceeding.

3. As used in this section, "electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 52. (Deleted by amendment.)

Sec. 53. (Deleted by amendment.)

Sec. 54. (Deleted by amendment.)

Sec. 55. (Deleted by amendment.)

Sec. 56. (Deleted by amendment.)

Sec. 57. (Deleted by amendment.)

Sec. 58. (Deleted by amendment.)

Sec. 59. (Deleted by amendment.)

Sec. 60. (Deleted by amendment.)

Sec. 61. (Deleted by amendment.)

Sec. 62. Sections 62 to 86, inclusive, of this act may be cited as the Wind Energy Systems Demonstration Program Act.

Sec. 63. As used in sections 62 to 86, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 64 to 78, inclusive, of this act have the meaning ascribed to them in those sections.

Sec. 64. "Agricultural property" means any real property employed for an agricultural use as defined in NRS 361A.030.

Sec. 65. "Applicant" means a person who is applying to participate in the Wind Demonstration Program.

Sec. 66. "Category" means one of the categories of participation in the Wind Demonstration Program as set forth in section 79 of this act.

Sec. 67. "Commission" means the Public Utilities Commission of Nevada.

Sec. 68. "Committee" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.

Sec. 69. "Institution of higher education" means:

1. A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; or

2. A postsecondary educational institution, as defined in NRS 394.099, or any other institution of higher education.

Sec. 70. "Participant" means a person who has been selected by the Committee pursuant to section 83 of this act to participate in the Wind Demonstration Program.

Sec. 71. "Person" includes, without limitation, a governmental entity.

Sec. 72. "Program year" means the period of July 1 to June 30 of the following year.

Sec. 73. "Public property" means any real property, building or facilities owned, leased or occupied by:

1. A department, agency or instrumentality of the State or any of its political subdivisions which is used for the transaction of public or quasi-public business; or

2. A nonprofit organization that is recognized as exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), as amended, or a corporation for public benefit as defined in NRS 82.021.

Sec. 74. "School property" means any real property, building or facilities owned, leased or occupied by:

1. A public school as defined in NRS 385.007;
2. A private school as defined in NRS 394.103; or
3. An institution of higher education.

Sec. 75. "Small business" means a business conducted for profit which employs 500 or fewer full-time or part-time employees.

Sec. 76. "Utility" means a public utility that supplies electricity in this State.

Sec. 77. "Wind Demonstration Program" or "Program" means the Wind Energy Systems Demonstration Program created by section 79 of this act.

Sec. 78. "Wind energy system" means a facility or energy system for the generation of electricity that uses wind energy to generate electricity.

Sec. 79. 1. The Wind Energy Systems Demonstration Program is hereby created.

2. The Program must have four categories as follows:

- (a) School property;
- (b) Other public property;
- (c) Private residential property and small business property; and
- (d) Agricultural property.

3. To be eligible to participate in the Program, a person must:

(a) Meet the qualifications established by the Commission pursuant to section 80 of this act;

(b) Submit an application to a utility and be selected by the Committee for inclusion in the Program pursuant to sections 82 and 83 of this act;

(c) When installing the wind energy system, use an installer who has been issued a classification C-2 license with the appropriate subclassification by the State Contractors' Board pursuant to the regulations adopted by the Board; and

(d) If the person will be participating in the Program in the category of school property or other public property, provide for the public display of the wind energy system, including, without limitation, providing for public demonstrations of the wind energy system and for hands-on experience of the wind energy system by the public.

Sec. 80. The Commission shall adopt regulations necessary to carry out the provisions of the Wind Energy Systems Demonstration Program Act, including, without limitation, regulations that establish:

1. The qualifications and requirements an applicant must meet to be eligible to participate in the Program in each particular category of:

- (a) School property;
- (b) Other public property;
- (c) Private residential property and small business property; and
- (d) Agricultural property.

2. The type of incentives available to participants in the Program and the level or amount of those incentives.

3. The requirements for a utility's annual plan for carrying out and administering the Program. A utility's annual plan must include, without limitation:

- (a) A detailed plan for advertising the Program;
- (b) A detailed budget and schedule for carrying out and administering the Program;
- (c) A detailed account of administrative processes and forms that will be used to carry out and administer the Program, including, without limitation, a description of the application process and copies of all applications and any other forms that are necessary to apply for and participate in the Program;
- (d) A detailed account of the procedures that will be used for inspection and verification of a participant's wind energy system and compliance with the Program;
- (e) A detailed account of training and educational activities that will be used to carry out and administer the Program; and
- (f) Any other information required by the Commission.

Sec. 81. 1. Each utility shall carry out and administer the Wind Demonstration Program within its service area in accordance with its annual plan as approved by the Commission pursuant to section 82 of this act.

2. A utility may recover its reasonable and prudent costs, including, without limitation, incentives that are associated with carrying out and administering the Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 82. 1. On or before February 1, 2008, and on or before February 1 of each year thereafter, each utility shall file with the Commission its annual plan for carrying out and administering the Wind Demonstration Program within its service area for the following program year.

2. On or before July 1, 2008, and on or before July 1 of each year thereafter, the Commission shall:

- (a) Review the annual plan filed by each utility for compliance with the requirements established by regulation; and
- (b) Approve the annual plan with such modifications and upon such terms and conditions as the Commission finds necessary or appropriate to facilitate the Program.

3. On or before November 1, 2008, and on or before November 1 of each year thereafter, each utility shall submit to the Committee the utility's recommendations as to which applications received by the utility should be approved for participation in the Program. The Committee shall review the applications to ensure that each applicant meets the qualifications and requirements to be eligible to participate in the Program.

4. Except as otherwise provided in section 83 of this act, the Committee may approve, from among the applications recommended by each utility, wind energy systems totaling:

- (a) For the program year beginning July 1, 2008:

- (1) 500 kilowatts of capacity for school property;
- (2) 500 kilowatts of capacity for other public property;
- (3) 700 kilowatts of capacity for private residential property and small business property; and
- (4) 700 kilowatts of capacity for agricultural property.
- (b) For the program year beginning July 1, 2009:
 - (1) An additional 250 kilowatts of capacity for school property;
 - (2) An additional 250 kilowatts of capacity for other public property;
 - (3) An additional 350 kilowatts of capacity for private residential property and small business property; and
 - (4) An additional 350 kilowatts of capacity for agricultural property.
- (c) For the program year beginning July 1, 2010:
 - (1) An additional 250 kilowatts of capacity for school property;
 - (2) An additional 250 kilowatts of capacity for other public property;
 - (3) An additional 350 kilowatts of capacity for private residential property and small business property; and
 - (4) An additional 350 kilowatts of capacity for agricultural property.

Sec. 83. 1. Based on the applications submitted by each utility for a program year, the Committee shall:

(a) Within the limits of the capacity allocated to each category, select applicants to be participants in the Wind Demonstration Program and place those applicants on a list of participants; and

(b) Select applicants to be placed on a prioritized waiting list to become participants in the Program if any capacity within a category becomes available.

2. Not later than 30 days after the date on which the Committee selects an applicant to be on the list of participants or the prioritized waiting list, the utility which submitted the application to the Committee on behalf of the applicant shall provide written notice of the selection to the applicant.

3. If the capacity allocated to any category for a program year is not fully subscribed by participants in that category, the Committee may, in any combination it deems appropriate:

(a) Allow a utility to submit additional applications from applicants who want to participate in that category; or

(b) Reallocate any of the unused capacity in that category to any of the other categories.

4. At any time after submitting an application to participate in the Program to a utility, an applicant may energize his wind energy system if the wind energy system meets all applicable building codes and all applicable requirements of the utility as approved by the Commission. An applicant who energizes his wind energy system under such circumstances remains eligible to participate in the Program, and the energizing of the wind energy system does not alter the applicant's status on the list of participants or the prioritized waiting list.

Sec. 84. 1. Except as otherwise provided in this section, if the Committee determines that a participant has not complied with the requirements for participation in the Wind Demonstration Program, the Committee shall, after notice and an opportunity for a hearing, withdraw the participant from the Program.

2. The Committee may, without notice or an opportunity for a hearing, withdraw from the Program:

(a) A participant in the category of private residential property and small business property or a participant in the category of agricultural property if the participant does not complete the installation of a wind energy system within 12 months after the date the participant receives written notice of his selection to participate in the Program.

(b) A participant in the category of school property or a participant in the category of other public property if the participant does not complete the installation of a wind energy system within 30 months after the date the participant receives written notice of his selection to participate in the Program.

3. A participant who is withdrawn from the Program pursuant to subsection 2 forfeits any incentives.

Sec. 85. 1. After a participant installs a wind energy system included in the Wind Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-hour production of the wind energy system.

2. All portfolio energy credits issued for a wind energy system installed pursuant to the Wind Demonstration Program must be assigned to and become the property of the utility administering the Program.

Sec. 86. If a wind energy system used by a participant in the Wind Demonstration Program meets the requirements of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 87. Sections 87 to 106, inclusive, of this act may be cited as the Waterpower Energy Systems Demonstration Program Act.

Sec. 88. As used in sections 87 to 106, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 89 to 98, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 89. "Applicant" means a person who is applying to participate in the Waterpower Demonstration Program.

Sec. 90. "Commission" means the Public Utilities Commission of Nevada.

Sec. 91. "Committee" means the Task Force for Renewable Energy and Energy Conservation created by NRS 701.350.

Sec. 92. "Participant" means a person who has been selected by the Commission to participate in the Waterpower Demonstration Program.

Sec. 93. "Person" includes, without limitation, a public entity.

Sec. 94. "Program year" means the period of July 1 to June 30 of the following year.

Sec. 95. "Utility" means a public utility that supplies electricity in this State.

Sec. 96. "Waterpower" has the meaning ascribed to it in subsection 3 of NRS 704.7811.

Sec. 97. "Waterpower energy system" means a facility or energy system for the generation of electricity that uses waterpower to generate electricity.

Sec. 98. "Waterpower Demonstration Program" or "Program" means the Waterpower Energy Systems Demonstration Program created by section 99 of this act.

Sec. 99. 1. The Waterpower Energy Systems Demonstration Program is hereby created.

2. The Waterpower Demonstration Program is created for agricultural uses.

3. To be eligible to participate in the Waterpower Demonstration Program, a person must meet the qualifications established pursuant to subsection 4 and apply to and be selected by the Committee for inclusion in the Waterpower Demonstration Program.

4. The Commission shall adopt regulations providing for the qualifications an applicant must meet to qualify to participate in the Waterpower Demonstration Program.

Sec. 100. The Committee is responsible for the administration and delivery of the Waterpower Demonstration Program as approved by the Commission.

Sec. 101. The Commission shall adopt regulations that establish:

1. The level, amount and type of incentives available for participants in the Waterpower Demonstration Program.

2. The requirements for an annual plan for the administration and delivery of the Waterpower Demonstration Program. The requirements for an annual plan must include, without limitation:

- (a) An advertising plan;
- (b) A detailed budget;
- (c) A schedule;
- (d) Administrative processes, including, without limitation, a copy of the application and process for accepting applications;
- (e) An inspection and verification process;
- (f) Proposed training and educational activities; and
- (g) Any other information required by the Commission.

Sec. 102. 1. On or before February 21, 2008, and on or before February 1 of each subsequent year, each utility shall file with the Commission for approval an annual plan for the administration and delivery of the Waterpower Demonstration Program for the program year beginning July 1, 2008, and each subsequent year thereafter.

2. On or before July 1, 2008, and on or before each July 1 of each subsequent year, the Commission shall review the annual plan for compliance with the requirements set forth by regulation of the Commission.

3. On or before November 1, 2008, and on or before November 1 of each subsequent year, each utility shall submit to the Committee a recommendation of which applications received should be accepted into the program. The Committee shall review the applications to ensure that the applicant meets the requirements adopted pursuant to subsection 4 of section 99 of this act.

4. The Committee may approve, from among the applications recommended by each utility, waterpower energy systems totaling:

(a) For the program year beginning July 1, 2008, 200 kilowatts of capacity;

(b) For the program year beginning July 1, 2009, an additional 100 kilowatts of capacity; and

(c) For the program year beginning July 1, 2010, an additional 100 kilowatts of capacity.

Sec. 103. Each utility may recover its reasonable and prudent costs, including, without limitation, incentives that are associated with carrying out and administering the Waterpower Demonstration Program within its service area by seeking recovery of those costs in an appropriate proceeding before the Commission pursuant to NRS 704.110.

Sec. 104. 1. After a participant installs a waterpower energy system included in the Waterpower Demonstration Program, the Commission shall issue portfolio energy credits for use within the system of portfolio energy credits adopted by the Commission pursuant to NRS 704.7821 equal to the actual or estimated kilowatt-hour production of the waterpower energy system of the participant.

2. All portfolio energy credits issued for a waterpower energy system installed pursuant to the Waterpower Demonstration Program are assigned to and become the property of the utility administering the Program.

Sec. 105. If the waterpower energy system used by a participant in the Waterpower Demonstration Program meets the requirements of NRS 704.766 to 704.775, inclusive, the participant is entitled to participate in net metering pursuant to the provisions of NRS 704.766 to 704.775, inclusive.

Sec. 106. If the Commission determines that a participant did not comply with the requirements for participation in the Waterpower Demonstration Program, the Commission shall, after notice and an opportunity for a hearing, withdraw the participant from the Waterpower Demonstration Program. Notice or a hearing is not required for dropping an applicant from the Program who fails to meet any completion time frames specified for the Program.

Sec. 107. (Deleted by amendment.)

Sec. 108. Section 24 of the Solar Energy Systems Demonstration Program Act, being chapter 331, Statutes of Nevada 2003, as amended by chapter 2, Statutes of Nevada 2005, 22nd Special Session, at page 90, is hereby amended to read as follows:

Sec. 24. The provisions of sections 4 to 21, inclusive, of this act expire by limitation on June 30, ~~2010~~, 2007.

Sec. 109. (Deleted by amendment.)

Sec. 110. (Deleted by amendment.)

Sec. 111. (Deleted by amendment.)

Sec. 112. With regard to solar energy systems, it is the intent of the Legislature to substitute the provisions of this section, sections 1 to 29, inclusive, 44 to 49, inclusive, and 108 of this act in a continuing way for the provisions of the Solar Energy Systems Demonstration Program Act, being chapter 331, Statutes of Nevada 2003, as last amended by chapter 2, Statutes of Nevada 2005, 22nd Special Session, except that if there is a conflict between the provisions of this section, sections 1 to 29, inclusive, 44 to 49, inclusive, and 108 of this act, and the provisions of the Solar Energy Systems Demonstration Program Act, the provisions of this section, sections 1 to 29, inclusive, 44 to 49, inclusive, and 108 of this act control.

Sec. 113. 1. This act becomes effective:

(a) Upon passage and approval for the purposes of adopting regulations and taking such other actions as are necessary to carry out the provisions of this act; and

(b) For all other purposes besides those described in paragraph (a):

(1) For this section and sections 30, 32, 36 to 46, inclusive, 49, 51 to 61, inclusive, 107, 109, 110 and 111 of this act, upon passage and approval.

(2) For sections 1 to 29, inclusive, 47, 108, and 112 of this act, on July 1, 2007.

(3) For sections 62 to 106, inclusive, of this act, on October 1, 2007.

(4) For sections 31, 32.3, 32.5, 32.7, 33, 34, 35 and 48 of this act, on January 1, 2009.

(5) For section 50 of this act, on January 1, 2011.

2. Sections 62 to 106, inclusive, of this act expire by limitation on June 30, 2011.

Senator Raggio moved that the Senate concur in the Assembly amendments to Senate Bill No. 437.

Remarks by Senators Raggio, Care, Townsend and Titus.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 443.

The following Assembly amendment was read:

Amendment No. 1163.

"SUMMARY—Makes various appropriations. (BDR S-1234)"

"AN ACT making various appropriations; and providing other matters properly relating thereto."

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

Section 1. 1. There is hereby created in the State General Fund a disbursement account to be administered by the Legislative Counsel Bureau.

2. Money appropriated to the disbursement account for the use of a specific entity must be allocated to that entity from time to time upon the submittal to the Legislative Counsel Bureau of an appropriate request for an allocation that is based on costs incurred.

Sec. 2. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the Nevada Cancer Institute the sum of \$5,000,000 for expansion of laboratory and clinical space.

2. Upon acceptance of the money appropriated by subsection 1, the Nevada Cancer Institute shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Nevada Cancer Institute through December 1, 2008;

(b) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2010, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Nevada Cancer Institute through December 1, 2010;

(c) Prepare and transmit a final report to the Interim Finance Committee on or before September 16, 2011, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Nevada Cancer Institute through June 30, 2011; and

(d) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Nevada Cancer Institute, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 3. Any remaining balance of the appropriation made by section 2 of this act must not be committed for expenditure after June 30, 2011, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 16, 2011, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 16, 2011.

Sec. 4. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the

Nevada Cancer Institute for research and community outreach and education for the Fiscal Year 2007-2008, the sum of \$2,500,000.

2. Upon acceptance of the money appropriated by subsection 1, the Nevada Cancer Institute shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2007, that describes each expenditure made from the money appropriated by subsection 1, from the date on which the money was received by the Nevada Cancer Institute through December 1, 2007;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 19, 2008, that describes each expenditure made from the money appropriated by subsection 1, from the date on which the money was received by the Nevada Cancer Institute through June 30, 2008; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Nevada Cancer Institute, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 5. Any remaining balance of the appropriation made by section 4 of this act must not be committed for expenditure after June 30, 2008, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2008, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2008.

Sec. 6. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the Nevada Cancer Institute for research and community outreach and education for the Fiscal Year 2008-2009, the sum of \$2,500,000.

2. Upon acceptance of the money appropriated by subsection 1, the Nevada Cancer Institute shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1, from the date on which the money was received by the Nevada Cancer Institute through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1, from the date on which the money was received by the Nevada Cancer Institute through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Nevada Cancer Institute, regardless of their form or location, that the Legislative Auditor

deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 7. Any remaining balance of the appropriation made by section 6 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 8. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of:

(a) High Sierra Industries the sum of \$1,000,000 for the establishment of a center to provide services ranging from life skills training to employment counseling to persons with a variety of disabilities.

(b) Opportunity Village the sum of \$3,000,000 for vocational training, employment and social recreation services for persons with intellectual disabilities in southern Nevada.

(c) Washoe Arc the sum of \$1,000,000 for the construction of a facility in Washoe County to serve the needs of persons with developmental disabilities.

2. Upon acceptance of the money appropriated by subsection 1, High Sierra Industries, Opportunity Village and Washoe Arc, respectively, shall each:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by High Sierra Industries, Opportunity Village and Washoe Arc, respectively, through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by High Sierra Industries, Opportunity Village and Washoe Arc, respectively, through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of High Sierra Industries, Opportunity Village and Washoe Arc, respectively, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 9. Any remaining balance of an appropriation made by section 8 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which the money

from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 10. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the Institute for Neuro-Immune Disease the sum of \$2,000,000 for ~~[faculty, staff and operating costs]~~ the construction of, and furnishings, and equipment for, a facility relating to the research and treatment of neuro-immune disorders.

2. Upon acceptance of the money appropriated by subsection 1, the Institute shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Institute through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Institute through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Institute, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 11. Any remaining balance of the appropriation made by section 10 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 12. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the:

(a) Clark County Public Education Foundation, Inc., the sum of \$250,000 for new programs and expansion of outreach efforts.

(b) Washoe County School District Educational Foundation, Inc., the sum of \$150,000 for new programs and expansion of outreach efforts.

2. Upon acceptance of the money appropriated by subsection 1, the Clark County Public Education Foundation, Inc., and the Washoe County School District Educational Foundation, Inc., respectively, shall each:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Clark County Public Education Foundation, Inc., and the Washoe County School District Educational Foundation, Inc., respectively, through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Clark County Public Education Foundation, Inc., and the Washoe County School District Educational Foundation, Inc., respectively, through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Clark County Public Education Foundation, Inc., and the Washoe County School District Educational Foundation, Inc., respectively, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 13. Any remaining balance of an appropriation made by section 12 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which the money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 14. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the Lou Ruvo Brain Institute the sum of \$3,000,000 for research, clinical studies, operations and educational programs at the Institute.

2. Upon acceptance of the money appropriated by subsection 1, the Institute shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Institute through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Institute through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Institute,

regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 15. Any remaining balance of the appropriation made by section 14 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 16. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the Nevada Discovery Museum in Reno the sum of \$1,000,000 for capital construction and initial operating expenses.

2. Upon acceptance of the money appropriated by subsection 1, the Museum shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Museum through December 1, 2008;

(b) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2010, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Museum through December 1, 2010;

(c) Prepare and transmit a final report to the Interim Finance Committee on or before September 16, 2011, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Museum through June 30, 2011; and

(d) Upon request of the Legislative Commission, make available to the Legislative Auditor any books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Museum, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated by subsection 1.

Sec. 17. Any remaining balance of the appropriation made by section 16 of this act must not be committed for expenditure after June 30, 2011, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 16, 2011, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 16, 2011.

Sec. 18. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the Lied Discovery Children's Museum the sum of \$500,000 for the costs of planning a new facility.

2. Upon acceptance of the money appropriated by subsection 1, the Museum shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Museum through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Museum through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Museum, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 19. Any remaining balance of the appropriation made by section 18 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 20. 1. There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of the Las Vegas Natural History Museum the sum of \$500,000 for the support and improvement of the Museum.

2. Upon acceptance of the money appropriated by subsection 1, the Museum shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Museum through December 1, 2008;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Museum through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or

other records of information, confidential or otherwise, of the Museum, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

Sec. 21. Any remaining balance of the appropriation made by section 20 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 22. ~~[There is hereby appropriated from the State General Fund to the disbursement account created by section 1 of this act for the use of White Pine County the sum of \$1,500,000 for the design of a courthouse.]~~ *(Deleted by amendment.)*

Sec. 23. ~~[Any remaining balance of the appropriation made by section 22 of this act must not be committed for expenditure after June 30, 2009, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.]~~ *(Deleted by amendment.)*

Sec. 24. The appropriations made by the provisions of this act are not intended to finance ongoing expenditures of state agencies, and the expenditures financed with those appropriations must not be included as base budget expenditures in the proposed budget for the Executive Branch of State Government for the 2007-2009 biennium.

Sec. 25. 1. This section and sections 1, 2, 3, 8 to 15, inclusive, and 24 of this act become effective upon passage and approval.

2. Sections 4, 5 and 16 to 23, inclusive, of this act become effective on July 1, 2007.

3. Sections 6 and 7 of this act become effective on July 1, 2008.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 443.

Remarks by Senator Raggio.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 471.

The following Assembly amendment was read:

Amendment No. 1168.

"SUMMARY—~~[[Revises provisions relating to sex offenders and offenders convicted of a crime against a child.]~~ *Makes various changes to provisions related to sex offenders, offenders convicted of a crime against a child and other criminal offenders.* (BDR 14-1426)"

"AN ACT relating to public safety; revising the provisions concerning certain sex offenders who are on lifetime supervision or released on parole, probation or a suspended sentence; requiring incarcerated sex offenders and offenders convicted of a crime against a child to register with a local law enforcement agency before being released from prison; requiring sex offenders and offenders convicted of a crime against a child who have not provided a biological specimen to provide a biological specimen at the time of registration with a local law enforcement agency; increasing the minimum sentence for certain sexual offenses committed against a child; revising the penalty for a violation of a condition imposed pursuant to the program of lifetime supervision; *revising provisions concerning the procedures for meetings to consider prisoners for parole;* making various other changes to provisions relating to certain offenders; providing penalties; making appropriations; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law sets forth certain conditions to be imposed on sex offenders placed under a program of lifetime supervision or released on parole, probation or a suspended sentence. (NRS 176A.410, 213.1243, 213.1245, 213.1255) Under sections 2, 8 and 10 of this bill, if an offender is: (1) convicted of certain crimes against a child under the age of 14 years; (2) a Tier 3 offender; and (3) placed under a program of lifetime supervision or released on parole, probation or a suspended sentence, the offender must not establish a residence within 1,000 feet of certain locations frequented primarily by children and must be placed under a system of active electronic monitoring if the Chief Parole and Probation Officer deems such monitoring appropriate. Sections 2, 8 and 10 also require an offender placed under a system of active electronic monitoring to pay to the extent of his ability any costs associated with such monitoring and prohibit a person from removing or disabling an electronic monitoring device without authorization.

In addition, sections 2, 8 and 9 of this bill prohibit certain sex offenders from being within 500 feet of certain locations frequented primarily by children. Section 8 also requires a court that issues an arrest warrant for a violation of a condition imposed pursuant to the program of lifetime supervision to transmit notice of the issuance of the warrant to the Central Repository for Nevada Records of Criminal History within 3 business days.

Existing law requires a sex offender or an offender convicted of a crime against a child to register with a local law enforcement agency within 48 hours after arriving or establishing a residence in the jurisdiction of the local law enforcement agency. (NRS 179D.240, NRS 179D.460) Section 3 of this bill requires an incarcerated offender convicted of a crime against a child to register, before being released from prison, with the appropriate local law

enforcement agency in whose jurisdiction the offender will be a resident offender upon release. Section 5 of this bill requires an incarcerated sex offender to register, before being released, with the appropriate law enforcement agency in whose jurisdiction the sex offender will be a resident sex offender upon release.

Existing law requires a court to order, at sentencing, that a biological specimen be obtained from a person convicted of certain crimes. (NRS 176.0913) Section 4 of this bill requires an offender convicted of a crime against a child to provide a biological specimen at the time the offender registers with a local law enforcement agency if the offender has not already provided a biological specimen. Section 6 of this bill requires a sex offender to provide a biological specimen at the time the sex offender registers with a local law enforcement agency if the sex offender has not already provided a biological specimen.

Existing law establishes the imposition of minimum sentences for certain sexual offenses committed against a child. (NRS 200.366) Section 7 of this bill increases the minimum number of years that must be served before a person is eligible for parole for committing a sexual assault against a child under the age of 16 years that does not result in substantial bodily harm to the child from 20 to 25 years. Section 7 also increases the minimum number of years that must be served before a person is eligible for parole for committing a sexual assault against a child under the age of 14 years that does not result in substantial bodily harm to the child from 20 to 35 years.

Section 10.5 of this bill clarifies the procedure concerning meetings to consider prisoners for parole by specifying that such meetings are quasi-judicial and limited to the rights set forth in statute. In addition, section 10.5 requires the State Board of Parole Commissioners to provide reasonable notice of a meeting and an opportunity to be present at the meeting to a prisoner who will be considered for parole. Parole may not be denied at a meeting unless the Board has complied with those requirements. Section 10.5 further provides that a prisoner or his representative must be allowed to speak during a meeting to consider the prisoner for parole and requires the Board to provide written notice of its decision and any recommendations it may have to the prisoner not later than 10 working days after the meeting. (NRS 213.130)

Sections 11 and 12 of this bill reconcile the provisions of Assembly Bill No. 579 of this session with the provisions of this bill.

Sections 13 and 14 of this bill make appropriations to the State Motor Pool and the Division of Parole and Probation of the Department of Public Safety.

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

Section 1. NRS 176.0926 is hereby amended to read as follows:

176.0926 1. If a defendant is convicted of a crime against a child, the court shall, following the imposition of a sentence:

(a) Notify the Central Repository of the conviction of the defendant, so the Central Repository may carry out the provisions for registration of the defendant pursuant to NRS 179D.230.

(b) Inform the defendant of the requirements for registration, including, but not limited to:

(1) The duty to register in this State during any period in which he is a resident of this State or a nonresident who is a student or worker within this State and the time within which he is required to register pursuant to NRS 179D.240;

(2) The duty to register in any other jurisdiction , *including, without limitation, any jurisdiction outside the United States*, during any period in which he is a resident of the other jurisdiction or a nonresident who is a student or worker within the other jurisdiction;

(3) If he moves from this State to another jurisdiction, *including, without limitation, any jurisdiction outside the United States*, the duty to register with the appropriate law enforcement agency in the other jurisdiction;

(4) The duty to notify the local law enforcement agency in whose jurisdiction he formerly resided, in person or in writing, if he changes the address at which he resides, including if he moves from this State to another jurisdiction, *including, without limitation, any jurisdiction outside the United States*, or changes the primary address at which he is a student or worker; and

(5) The duty to notify immediately the appropriate local law enforcement agency if the defendant is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education or if the defendant is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of his work at an institution of higher education.

(c) Require the defendant to read and sign a form confirming that the requirements for registration have been explained to him.

2. The failure to provide the defendant with the information or confirmation form required by paragraphs (b) and (c) of subsection 1 does not affect the duty of the defendant to register and to comply with all other provisions for registration pursuant to NRS 179D.200 to 179D.290, inclusive.

Sec. 2. NRS 176A.410 is hereby amended to read as follows:

176A.410 1. Except as otherwise provided in subsection ~~{3,}~~ 6, if a defendant is convicted of a sexual offense and the court grants probation or suspends the sentence, the court shall, in addition to any other condition ordered pursuant to NRS 176A.400, order as a condition of probation or suspension of sentence that the defendant:

(a) Submit to a search and seizure of his person, residence or vehicle or any property under his control, at any time of the day or night, without a warrant, by any parole and probation officer or any peace officer, for the

purpose of determining whether the defendant has violated any condition of probation or suspension of sentence or committed any crime . ~~{;}~~

(b) Reside at a location only if ~~{it}~~ :

(1) *The residence* has been approved by the parole and probation officer assigned to the defendant . ~~{and keep}~~

(2) *The defendant keeps* the parole and probation officer *assigned to the defendant* informed of his current address . ~~{;}~~

(c) Accept a position of employment or a position as a volunteer only if it has been approved by the parole and probation officer assigned to the defendant and keep the parole and probation officer informed of the location of his position of employment or position as a volunteer . ~~{;}~~

(d) Abide by any curfew imposed by the parole and probation officer assigned to the defendant . ~~{;}~~

(e) Participate in and complete a program of professional counseling approved by the Division . ~~{;}~~

(f) Submit to periodic tests, as requested by the parole and probation officer assigned to the defendant, to determine whether the defendant is using a controlled substance . ~~{;}~~

(g) Submit to periodic polygraph examinations, as requested by the parole and probation officer assigned to the defendant . ~~{;}~~

(h) Abstain from consuming, possessing or having under his control any alcohol . ~~{;}~~

(i) Not have contact or communicate with a victim of the sexual offense or a witness who testified against the defendant or solicit another person to engage in such contact or communication on behalf of the defendant, unless approved by the parole and probation officer assigned to the defendant, and a written agreement is entered into and signed in the manner set forth in subsection ~~{2-}~~ 5.

(j) Not use aliases or fictitious names . ~~{;}~~

(k) Not obtain a post office box unless the defendant receives permission from the parole and probation officer assigned to the defendant . ~~{;}~~

(l) Not have contact with a person less than 18 years of age in a secluded environment unless another adult who has never been convicted of a sexual offense is present and permission has been obtained from the parole and probation officer assigned to the defendant in advance of each such contact . ~~{;}~~

(m) Unless approved by the parole and probation officer assigned to the defendant and by a psychiatrist, psychologist or counselor treating the defendant, if any, not ~~{be in or near}~~

~~(1) - A~~ knowingly be within 500 feet of any place, or if the place is a structure, within 500 feet of the actual structure, that is designed primarily for use by or for children, including, without limitation, a public or private school, a school bus stop, a center or facility that provides day care services, a video arcade, an amusement park, a playground, a park, ~~{school or school grounds};~~

~~(2) A] an athletic field or a facility for youth sports, or a motion picture theater . [; or~~

~~(3) A business that primarily has children as customers or conducts events that primarily children attend.] The provisions of this paragraph apply only to a defendant who is a Tier 3 offender.~~

(n) Comply with any protocol concerning the use of prescription medication prescribed by a treating physician, including, without limitation, any protocol concerning the use of psychotropic medication . [;]

(o) Not possess any sexually explicit material that is deemed inappropriate by the parole and probation officer assigned to the defendant . [;]

(p) Not patronize a business which offers a sexually related form of entertainment and which is deemed inappropriate by the parole and probation officer assigned to the defendant . [;]

(q) Not possess any electronic device capable of accessing the Internet and not access the Internet through any such device or any other means, unless possession of such a device or such access is approved by the parole and probation officer assigned to the defendant . [; and]

(r) Inform the parole and probation officer assigned to the defendant if the defendant expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education. As used in this paragraph, "institution of higher education" has the meaning ascribed to it in NRS 179D.045.

2. *Except as otherwise provided in subsection 6, if a defendant is convicted of an offense listed in subsection 6 of NRS 213.1255 against a child under the age of 14 years, the defendant is a Tier 3 offender and the court grants probation or suspends the sentence of the defendant, the court shall, in addition to any other condition ordered pursuant to subsection 1, order as a condition of probation or suspension of sentence that the defendant:*

(a) Reside at a location only if the residence is not located within 1,000 feet of any place, or if the place is a structure, within 1,000 feet of the actual structure, that is designed primarily for use by or for children, including, without limitation, a public or private school, a school bus stop, a center or facility that provides day care services, a video arcade, an amusement park, a playground, a park, an athletic field or a facility for youth sports, or a motion picture theater.

(b) As deemed appropriate by the Chief Parole and Probation Officer, be placed under a system of active electronic monitoring that is capable of identifying his location and producing, upon request, reports or records of his presence near or within a crime scene or prohibited area or his departure from a specified geographic location.

(c) Pay any costs associated with his participation under the system of active electronic monitoring, to the extent of his ability to pay.

3. *A defendant placed under the system of active electronic monitoring pursuant to subsection 2 shall:*

(a) Follow the instructions provided by the Division to maintain the electronic monitoring device in working order.

(b) Report any incidental damage or defacement of the electronic monitoring device to the Division within 2 hours after the occurrence of the damage or defacement.

(c) Abide by any other conditions set forth by the Division with regard to his participation under the system of active electronic monitoring.

4. *Except as otherwise provided in this subsection, a person who intentionally removes or disables or attempts to remove or disable an electronic monitoring device placed on a defendant pursuant to this section is guilty of a gross misdemeanor. The provisions of this subsection do not prohibit a person authorized by the Division from performing maintenance or repairs to an electronic monitoring device.*

5. A written agreement entered into pursuant to paragraph (i) of subsection 1 must state that the contact or communication is in the best interest of the victim or witness, and specify the type of contact or communication authorized. The written agreement must be signed and agreed to by:

(a) The victim or the witness;

(b) The defendant;

(c) The parole and probation officer assigned to the defendant;

(d) The psychiatrist, psychologist or counselor treating the defendant, victim or witness, if any; and

(e) If the victim or witness is a child under 18 years of age, each parent, guardian or custodian of the child.

~~{3-}~~ 6. The court is not required to impose a condition of probation or suspension of sentence listed in ~~{subsection}~~ subsections 1 and 2 if the court finds that extraordinary circumstances are present and the court enters those extraordinary circumstances in the record.

~~{4-}~~ 7. As used in this section, "sexual offense" has the meaning ascribed to it in NRS 179D.410.

Sec. 3. NRS 179D.230 is hereby amended to read as follows:

179D.230 1. If the Central Repository receives notice from a court pursuant to NRS 176.0926 that an offender has been convicted of a crime against a child, the Central Repository shall:

(a) If a record of registration has not previously been established for the offender, notify the local law enforcement agency so that a record of registration may be established; or

(b) If a record of registration has previously been established for the offender, update the record of registration for the offender and notify the appropriate local law enforcement agencies.

2. If the offender named in the notice is granted probation or otherwise will not be incarcerated or confined, the Central Repository shall

immediately provide notification concerning the offender to the appropriate local law enforcement agencies and, if the offender resides in a jurisdiction which is outside of this State, to the appropriate law enforcement agency in that jurisdiction.

3. If an offender is incarcerated or confined and has previously been convicted of a crime against a child, before the offender is released:

(a) The Department of Corrections or a local law enforcement agency in whose facility the offender is incarcerated or confined shall:

(1) Inform the offender of the requirements for registration, including, but not limited to:

(I) The duty to register in this State during any period in which he is a resident of this State or a nonresident who is a student or worker within this State and the time within which he is required to register pursuant to NRS 179D.240;

(II) The duty to register in any other jurisdiction during any period in which he is a resident of the other jurisdiction or a nonresident who is a student or worker within the other jurisdiction;

(III) If he moves from this State to another jurisdiction, the duty to register with the appropriate law enforcement agency in the other jurisdiction;

(IV) The duty to notify the local law enforcement agency for the jurisdiction in which he now resides, in person, and the jurisdiction in which he most recently resided, in person or in writing, if he changes the address at which he resides, including if he moves from this State to another jurisdiction, or changes the primary address at which he is a student or worker; and

(V) The duty to notify immediately the appropriate local law enforcement agency if the offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education or if the offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of his work at an institution of higher education; and

(2) Require the offender to read and sign a form confirming that the requirements for registration have been explained to him and to forward the form to the Central Repository.

(b) The Central Repository shall:

(1) Update the record of registration for the offender; and

(2) Provide notification concerning the offender to the appropriate local law enforcement agencies and, if the offender will reside upon release in a jurisdiction which is outside of this State, to the appropriate law enforcement agency in that jurisdiction.

4. *If an offender convicted of a crime against a child is incarcerated or confined, before the offender is released, the offender shall register, pursuant to 179D.240, with the appropriate sheriff's office, metropolitan police*

department or city police department in whose jurisdiction the offender will be a resident offender.

5. The failure to provide an offender with the information or confirmation form required by paragraph (a) of subsection 3 does not affect the duty of the offender to register and to comply with all other provisions for registration.

~~{§-}~~ 6. If the Central Repository receives notice from another jurisdiction or the Federal Bureau of Investigation that an offender convicted of a crime against a child is now residing or is a student or worker within this State, the Central Repository shall:

(a) Immediately provide notification concerning the offender to the appropriate local law enforcement agencies; and

(b) Establish a record of registration for the offender with the assistance of the local law enforcement agency.

Sec. 4. NRS 179D.240 is hereby amended to read as follows:

179D.240 1. In addition to any other registration that is required pursuant to NRS 179D.230, each offender who, after July 1, 1956, is or has been convicted of a crime against a child shall register with a local law enforcement agency pursuant to the provisions of this section.

2. Except as otherwise provided in subsection 3, if the offender resides or is present for 48 hours or more within:

(a) A county; or

(b) An incorporated city that does not have a city police department,

↪ the offender shall be deemed a resident offender and shall register with the sheriff's office of the county or, if the county or the city is within the jurisdiction of a metropolitan police department, the metropolitan police department, not later than 48 hours after arriving or establishing a residence within the county or the city.

3. If the offender resides or is present for 48 hours or more within an incorporated city that has a city police department, the offender shall be deemed a resident offender and shall register with the city police department not later than 48 hours after arriving or establishing a residence within the city.

4. If the offender is a nonresident offender who is a student or worker within this State, the offender shall register with the appropriate sheriff's office, metropolitan police department or city police department in whose jurisdiction he is a student or worker not later than 48 hours after becoming a student or worker within this State.

5. A resident or nonresident offender shall immediately notify the appropriate local law enforcement agency if:

(a) The offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education; or

(b) The offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of his work at an institution of higher education.

➡ The offender shall provide the name, address and type of each such institution of higher education.

6. To register with a local law enforcement agency pursuant to this section, the offender shall:

(a) ~~Appear~~ *Unless the offender is incarcerated or confined and required to register pursuant to subsection 4 of NRS 179D.230, appear personally at the office of the appropriate local law enforcement agency;*

(b) Provide all information that is requested by the local law enforcement agency, including, but not limited to, fingerprints and a photograph; ~~and~~

(c) *If the offender has not provided a biological specimen pursuant to NRS 176.0913 or 176.0916, provide a biological specimen to the local law enforcement agency; and*

(d) Sign and date the record of registration or some other proof of registration in the presence of an officer of the local law enforcement agency ~~or~~ *or in the presence of an officer of the institution or facility in which the offender is incarcerated or confined.*

7. *If an offender convicted of a crime against a child must provide a biological specimen pursuant to paragraph (c) of subsection 6, the local law enforcement agency shall arrange for the biological specimen to be obtained from the offender. The local law enforcement agency shall provide the specimen to the forensic laboratory that has been designated by the county in which the offender resides or is present to conduct or oversee genetic marker testing for the county pursuant to NRS 176.0917.*

8. When an offender registers, the local law enforcement agency shall:

(a) Inform the offender of the duty to notify the local law enforcement agency if the offender changes the address at which he resides or changes the primary address at which he is a student or worker; and

(b) Inform the offender of the duty to register with the local law enforcement agency in whose jurisdiction the offender relocates.

~~8.~~ 9. After the offender registers with the local law enforcement agency, the local law enforcement agency shall forward to the Central Repository the information collected, including the fingerprints and a photograph of the offender.

~~9.~~ 10. If the Central Repository has not previously established a record of registration for an offender described in subsection ~~8.~~ 9, the Central Repository shall:

(a) Establish a record of registration for the offender; and

(b) Provide notification concerning the offender to the appropriate local law enforcement agencies.

~~10.~~ 11. When an offender notifies a local law enforcement agency that:

(a) The offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education; or

(b) The offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of his work at an institution of higher education,

➔ and provides the name, address and type of each such institution of higher education, the local law enforcement agency shall immediately provide that information to the Central Repository and to the appropriate campus police department.

Sec. 5. NRS 179D.450 is hereby amended to read as follows:

179D.450 1. If the Central Repository receives notice from a court pursuant to NRS 176.0927 that a sex offender has been convicted of a sexual offense or pursuant to NRS 62F.250 that a juvenile sex offender has been deemed to be an adult sex offender, the Central Repository shall:

(a) If a record of registration has not previously been established for the sex offender, notify the local law enforcement agency so that a record of registration may be established; or

(b) If a record of registration has previously been established for the sex offender, update the record of registration for the sex offender and notify the appropriate local law enforcement agencies.

2. If the sex offender named in the notice is granted probation or otherwise will not be incarcerated or confined or if the sex offender named in the notice has been deemed to be an adult sex offender pursuant to NRS 62F.250 and is not otherwise incarcerated or confined:

(a) The Central Repository shall immediately provide notification concerning the sex offender to the appropriate local law enforcement agencies and, if the sex offender resides in a jurisdiction which is outside of this State, to the appropriate law enforcement agency in that jurisdiction; and

(b) If the sex offender is subject to community notification, the Central Repository shall arrange for the assessment of the risk of recidivism of the sex offender pursuant to the guidelines and procedures for community notification established by the Attorney General pursuant to NRS 179D.600 to 179D.800, inclusive.

3. If a sex offender is incarcerated or confined and has previously been convicted of a sexual offense as described in NRS 179D.410, before the sex offender is released:

(a) The Department of Corrections or a local law enforcement agency in whose facility the sex offender is incarcerated or confined shall:

(1) Inform the sex offender of the requirements for registration, including, but not limited to:

(I) The duty to register in this State during any period in which he is a resident of this State or a nonresident who is a student or worker within this State and the time within which he is required to register pursuant to NRS 179D.460;

(II) The duty to register in any other jurisdiction during any period in which he is a resident of the other jurisdiction or a nonresident who is a student or worker within the other jurisdiction;

(III) If he moves from this State to another jurisdiction, the duty to register with the appropriate law enforcement agency in the other jurisdiction;

(IV) The duty to notify the local law enforcement agency for the jurisdiction in which he now resides, in person, and the jurisdiction in which he formerly resided, in person or in writing, if he changes the address at which he resides, including if he moves from this State to another jurisdiction, or changes the primary address at which he is a student or worker; and

(V) The duty to notify immediately the appropriate local law enforcement agency if the sex offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education or if the sex offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of his work at an institution of higher education; and

(2) Require the sex offender to read and sign a form confirming that the requirements for registration have been explained to him and to forward the form to the Central Repository.

(b) The Central Repository shall:

(1) Update the record of registration for the sex offender;

(2) If the sex offender is subject to community notification, arrange for the assessment of the risk of recidivism of the sex offender pursuant to the guidelines and procedures for community notification established by the Attorney General pursuant to NRS 179D.600 to 179D.800, inclusive; and

(3) Provide notification concerning the sex offender to the appropriate local law enforcement agencies and, if the sex offender will reside upon release in a jurisdiction which is outside of this State, to the appropriate law enforcement agency in that jurisdiction.

4. *If a sex offender is incarcerated or confined, before the sex offender is released, the sex offender shall register, pursuant to NRS 179D.460, with the appropriate sheriff's office, metropolitan police department or city police department in whose jurisdiction the sex offender will be a resident sex offender.*

5. The failure to provide a sex offender with the information or confirmation form required by paragraph (a) of subsection 3 does not affect the duty of the sex offender to register and to comply with all other provisions for registration.

~~{5-}~~ 6. If the Central Repository receives notice from another jurisdiction or the Federal Bureau of Investigation that a sex offender is now residing or is a student or worker within this State, the Central Repository shall:

(a) Immediately provide notification concerning the sex offender to the appropriate local law enforcement agencies;

(b) Establish a record of registration for the sex offender; and

(c) If the sex offender is subject to community notification, arrange for the assessment of the risk of recidivism of the sex offender pursuant to the guidelines and procedures for community notification established by the Attorney General pursuant to NRS 179D.600 to 179D.800, inclusive.

Sec. 6. NRS 179D.460 is hereby amended to read as follows:

179D.460 1. In addition to any other registration that is required pursuant to NRS 179D.450, each sex offender who, after July 1, 1956, is or has been convicted of a sexual offense shall register with a local law enforcement agency pursuant to the provisions of this section.

2. Except as otherwise provided in subsection 3, if the sex offender resides or is present for 48 hours or more within:

(a) A county; or

(b) An incorporated city that does not have a city police department,
→ the sex offender shall be deemed a resident sex offender and shall register with the sheriff's office of the county or, if the county or the city is within the jurisdiction of a metropolitan police department, the metropolitan police department, not later than 48 hours after arriving or establishing a residence within the county or the city.

3. If the sex offender resides or is present for 48 hours or more within an incorporated city that has a city police department, the sex offender shall be deemed a resident sex offender and shall register with the city police department not later than 48 hours after arriving or establishing a residence within the city.

4. If the sex offender is a nonresident sex offender who is a student or worker within this State, the sex offender shall register with the appropriate sheriff's office, metropolitan police department or city police department in whose jurisdiction he is a student or worker not later than 48 hours after becoming a student or worker within this State.

5. A resident or nonresident sex offender shall immediately notify the appropriate local law enforcement agency if:

(a) The sex offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education; or

(b) The sex offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of his work at an institution of higher education.

→ The sex offender shall provide the name, address and type of each such institution of higher education.

6. To register with a local law enforcement agency pursuant to this section, the sex offender shall:

(a) ~~{Appear}~~ *Unless the sex offender is incarcerated or confined and required to register pursuant to subsection 4 of NRS 179D.450, appear personally at the office of the appropriate local law enforcement agency;*

(b) Provide all information that is requested by the local law enforcement agency, including, but not limited to, fingerprints and a photograph; ~~{and}~~

(c) *If the sex offender has not provided a biological specimen pursuant to NRS 176.0913 or 176.0916, provide a biological specimen to the local law enforcement agency; and*

(d) Sign and date the record of registration or some other proof of registration of the local law enforcement agency in the presence of an officer of the local law enforcement agency ~~{-}~~ *or in the presence of an officer of the institution or facility in which the sex offender is incarcerated or confined.*

7. *If a sex offender must provide a biological specimen pursuant to paragraph (c) of subsection 6, the local law enforcement agency shall arrange for the biological specimen to be obtained from the sex offender. The local law enforcement agency shall provide the specimen to the forensic laboratory that has been designated by the county in which the sex offender resides or is present to conduct or oversee genetic marker testing for the county pursuant to NRS 176.0917.*

8. When a sex offender registers, the local law enforcement agency shall:

(a) Inform the sex offender of the duty to notify the local law enforcement agency if the sex offender changes the address at which he resides, including if he moves from this State to another jurisdiction, or changes the primary address at which he is a student or worker; and

(b) Inform the sex offender of the duty to register with the local law enforcement agency in whose jurisdiction the sex offender relocates.

~~{8-}~~ 9. After the sex offender registers with the local law enforcement agency, the local law enforcement agency shall forward to the Central Repository the information collected, including the fingerprints and a photograph of the sex offender.

~~{9-}~~ 10. If the Central Repository has not previously established a record of registration for a sex offender described in subsection ~~{8-}~~ 9, the Central Repository shall:

(a) Establish a record of registration for the sex offender;

(b) Provide notification concerning the sex offender to the appropriate local law enforcement agencies; and

(c) If the sex offender is subject to community notification and has not otherwise been assigned a level of notification, arrange for the assessment of the risk of recidivism of the sex offender pursuant to the guidelines and procedures for community notification established by the Attorney General pursuant to NRS 179D.600 to 179D.800, inclusive.

~~{10-}~~ 11. When a sex offender notifies a local law enforcement agency that:

(a) The sex offender is, expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his enrollment at an institution of higher education; or

(b) The sex offender is, expects to be or becomes a worker at an institution of higher education or changes the date of commencement or termination of his work at an institution of higher education,

➔ and provides the name, address and type of each such institution of higher education, the local law enforcement agency shall immediately provide that information to the Central Repository and to the appropriate campus police department.

Sec. 7. NRS 200.366 is hereby amended to read as follows:

200.366 1. A person who subjects another person to sexual penetration, or who forces another person to make a sexual penetration on himself or another, or on a beast, against the will of the victim or under conditions in which the perpetrator knows or should know that the victim is mentally or physically incapable of resisting or understanding the nature of his conduct, is guilty of sexual assault.

2. Except as otherwise provided in subsections 3 and 4, a person who commits a sexual assault is guilty of a category A felony and shall be punished:

(a) If substantial bodily harm to the victim results from the actions of the defendant committed in connection with or as a part of the sexual assault, by imprisonment in the state prison:

(1) For life without the possibility of parole; or

(2) For life with the possibility of parole, with eligibility for parole beginning when a minimum of 15 years has been served.

(b) If no substantial bodily harm to the victim results, by imprisonment in the state prison for life with the possibility of parole, with eligibility for parole beginning when a minimum of 10 years has been served.

3. Except as otherwise provided in subsection 4, a person who commits a sexual assault against a child under the age of 16 years is guilty of a category A felony and shall be punished:

(a) If the crime results in substantial bodily harm to the child, by imprisonment in the state prison for life without the possibility of parole.

(b) Except as otherwise provided in paragraph (c), if the crime does not result in substantial bodily harm to the child, by imprisonment in the state prison for life with the possibility of parole, with eligibility for parole beginning when a minimum of ~~[20]~~ 25 years has been served.

(c) If the crime is committed against a child under the age of 14 years and does not result in substantial bodily harm to the child, by imprisonment in the state prison for life with the possibility of parole, with eligibility for parole beginning when a minimum of ~~[20]~~ 35 years has been served.

4. A person who commits a sexual assault against a child under the age of 16 years and who has been previously convicted of:

(a) A sexual assault pursuant to this section or any other sexual offense against a child; or

(b) An offense committed in another jurisdiction that, if committed in this State, would constitute a sexual assault pursuant to this section or any other sexual offense against a child,

➔ is guilty of a category A felony and shall be punished by imprisonment in the state prison for life without the possibility of parole.

5. For the purpose of this section, "other sexual offense against a child" means any act committed by an adult upon a child constituting:

(a) Incest pursuant to NRS 201.180;

(b) Lewdness with a child pursuant to NRS 201.230;

(c) Sado-masochistic abuse pursuant to NRS 201.262; or

(d) Luring a child using a computer, system or network pursuant to NRS 201.560, if punished as a felony.

Sec. 8. NRS 213.1243 is hereby amended to read as follows:

213.1243 1. The Board shall establish by regulation a program of lifetime supervision of sex offenders to commence after any period of probation or any term of imprisonment and any period of release on parole. The program must provide for the lifetime supervision of sex offenders by parole and probation officers.

2. Lifetime supervision shall be deemed a form of parole for:

(a) The limited purposes of the applicability of the provisions of NRS 213.1076, subsection 9 of NRS 213.1095, NRS 213.1096 and subsection 2 of NRS 213.110; and

(b) The purposes of the Interstate Compact for Adult Offender Supervision ratified, enacted and entered into by the State of Nevada pursuant to NRS 213.215.

3. *Except as otherwise provided in subsection 8, the Board shall require as a condition of lifetime supervision that the sex offender, unless approved by the parole and probation officer assigned to the sex offender and by a psychiatrist, psychologist or counselor treating the sex offender, if any, not knowingly be within 500 feet of any place, or if the place is a structure, within 500 feet of the actual structure, that is designed primarily for use by or for children, including, without limitation, a public or private school, a school bus stop, a center or facility that provides day care services, a video arcade, an amusement park, a playground, a park, an athletic field or a facility for youth sports, or a motion picture theater. The provisions of this subsection apply only to a sex offender who is a Tier 3 offender.*

4. *Except as otherwise provided in subsection 8, if a sex offender is convicted of a sexual offense listed in subsection 6 of NRS 213.1255 against a child under the age of 14 years, the sex offender is a Tier 3 offender and the sex offender is sentenced to lifetime supervision, the Board shall require as a condition of lifetime supervision that the sex offender:*

(a) *Reside at a location only if the residence is not located within 1,000 feet of any place, or if the place is a structure, within 1,000 feet of the*

actual structure, that is designed primarily for use by or for children, including, without limitation, a public or private school, a school bus stop, a center or facility that provides day care services, a video arcade, an amusement park, a playground, a park, an athletic field or a facility for youth sports, or a motion picture theater.

(b) As deemed appropriate by the Chief, be placed under a system of active electronic monitoring that is capable of identifying his location and producing, upon request, reports or records of his presence near or within a crime scene or prohibited area or his departure from a specified geographic location.

(c) Pay any costs associated with his participation under the system of active electronic monitoring, to the extent of his ability to pay.

5. A ~~{person}~~ sex offender placed under the system of active electronic monitoring pursuant to subsection 3 shall:

(a) Follow the instructions provided by the Division to maintain the electronic monitoring device in working order.

(b) Report any incidental damage or defacement of the electronic monitoring device to the Division within 2 hours after the occurrence of the damage or defacement.

(c) Abide by any other conditions set forth by the Division with regard to his participation under the system of active electronic monitoring.

6. Except as otherwise provided in this subsection, a person who intentionally removes or disables or attempts to remove or disable an electronic monitoring device placed on a sex offender pursuant to this section is guilty of a gross misdemeanor. The provisions of this subsection do not prohibit a person authorized by the Division from performing maintenance or repairs to an electronic monitoring device.

7. Except as otherwise provided in subsection 6, a sex offender who commits a violation of a condition imposed on him pursuant to the program of lifetime supervision is guilty of ~~{~~:

~~(a) If the violation constitutes a minor violation, a misdemeanor.~~

~~(b) If the violation constitutes a major violation,~~ a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

~~{4.}~~ 8. The Board is not required to impose a condition pursuant to the program of lifetime supervision listed in subsections 3 and 4 if the Board finds that extraordinary circumstances are present and the Board states those extraordinary circumstances in writing.

9. If a court issues a warrant for arrest for a violation of this section, the court shall cause to be transmitted, in the manner prescribed by the Central Repository for Nevada Records of Criminal History, notice of the issuance of the warrant for arrest in a manner which ensures that such notice is received by the Central Repository within 3 business days.

10. For the purposes of prosecution of a violation by a ~~{person}~~ sex offender of a condition imposed upon him pursuant to the program of lifetime supervision, the violation shall be deemed to have occurred in, and may only be prosecuted in, the county in which the court that imposed the sentence of lifetime supervision pursuant to NRS 176.0931 is located, regardless of whether the acts or conduct constituting the violation took place, in whole or in part, within or outside that county or within or outside this State.

~~{5. — As used in this section:~~

~~(a) "Major violation" means a violation which poses a threat to the safety or well being of others and which involves:~~

~~(1) The commission of any crime that is punishable as a gross misdemeanor or felony or any crime that involves a victim who is less than 18 years of age;~~

~~(2) The use of a deadly weapon, explosives or a firearm;~~

~~(3) The use or threatened use of force or violence against a person;~~

~~(4) Death or bodily injury of a person;~~

~~(5) An act of domestic violence;~~

~~(6) Harassment, stalking or threats of any kind; or~~

~~(7) The forcible or unlawful entry of a home, building, structure or vehicle in which a person is present.~~

~~(b) "Minor violation" means a violation that does not constitute a major violation.~~

Sec. 9. NRS 213.1245 is hereby amended to read as follows:

213.1245 1. Except as otherwise provided in subsection 3, if the Board releases on parole a prisoner convicted of an offense listed in NRS 179D.620, the Board shall, in addition to any other condition of parole, require as a condition of parole that the parolee:

(a) Reside at a location only if ~~{it}~~ :

~~(1) The residence~~ has been approved by the parole and probation officer assigned to the parolee. ~~{and keep}~~

~~(2) The parolee keeps~~ the parole and probation officer informed of his current address. ~~{;}~~

(b) Accept a position of employment or a position as a volunteer only if it has been approved by the parole and probation officer assigned to the parolee and keep the parole and probation officer informed of the location of his position of employment or position as a volunteer. ~~{;}~~

(c) Abide by any curfew imposed by the parole and probation officer assigned to the parolee. ~~{;}~~

(d) Participate in and complete a program of professional counseling approved by the Division. ~~{;}~~

(e) Submit to periodic tests, as requested by the parole and probation officer assigned to the parolee, to determine whether the parolee is using a controlled substance. ~~{;}~~

(f) Submit to periodic polygraph examinations, as requested by the parole and probation officer assigned to the parolee. ~~{;}~~

(g) Abstain from consuming, possessing or having under his control any alcohol. ~~{-}~~

(h) Not have contact or communicate with a victim of the offense or a witness who testified against the parolee or solicit another person to engage in such contact or communication on behalf of the parolee, unless approved by the parole and probation officer assigned to the parolee, and a written agreement is entered into and signed in the manner set forth in subsection 2. ~~{-}~~

(i) Not use aliases or fictitious names. ~~{-}~~

(j) Not obtain a post office box unless the parolee receives permission from the parole and probation officer assigned to the parolee. ~~{-}~~

(k) Not have contact with a person less than 18 years of age in a secluded environment unless another adult who has never been convicted of an offense listed in NRS 179D.410 is present and permission has been obtained from the parole and probation officer assigned to the parolee in advance of each such contact. ~~{-}~~

(l) Unless approved by the parole and probation officer assigned to the parolee and by a psychiatrist, psychologist or counselor treating the parolee, if any, not ~~be in or near:~~

~~(1) A~~ knowingly be within 500 feet of any place, or if the place is a structure, within 500 feet of the actual structure, that is designed primarily for use by or for children, including, without limitation, a public or private school, a school bus stop, a center or facility that provides day care services, a video arcade, an amusement park, a playground, a park, ~~school or school grounds;~~

~~(2) A~~ an athletic field or a facility for youth sports, or a motion picture theater. ~~{- or~~

~~(3) A business that primarily has children as customers or conducts events that primarily children attend;~~ The provisions of this paragraph apply only to a parolee who is a Tier 3 offender.

(m) Comply with any protocol concerning the use of prescription medication prescribed by a treating physician, including, without limitation, any protocol concerning the use of psychotropic medication. ~~{-}~~

(n) Not possess any sexually explicit material that is deemed inappropriate by the parole and probation officer assigned to the parolee. ~~{-}~~

(o) Not patronize a business which offers a sexually related form of entertainment and which is deemed inappropriate by the parole and probation officer assigned to the parolee. ~~{-}~~

(p) Not possess any electronic device capable of accessing the Internet and not access the Internet through any such device or any other means, unless possession of such a device or such access is approved by the parole and probation officer assigned to the parolee. ~~{- and}~~

(q) Inform the parole and probation officer assigned to the parolee if the parolee expects to be or becomes enrolled as a student at an institution of higher education or changes the date of commencement or termination of his

enrollment at an institution of higher education. As used in this paragraph, "institution of higher education" has the meaning ascribed to it in NRS 179D.045.

2. A written agreement entered into pursuant to paragraph (h) of subsection 1 must state that the contact or communication is in the best interest of the victim or witness, and specify the type of contact or communication authorized. The written agreement must be signed and agreed to by:

- (a) The victim or the witness;
- (b) The parolee;
- (c) The parole and probation officer assigned to the parolee;
- (d) The psychiatrist, psychologist or counselor treating the parolee, victim or witness, if any; and
- (e) If the victim or witness is a child under 18 years of age, each parent, guardian or custodian of the child.

3. The Board is not required to impose a condition of parole listed in subsection 1 if the Board finds that extraordinary circumstances are present and the Board states those extraordinary circumstances in writing.

Sec. 10. NRS 213.1255 is hereby amended to read as follows:

213.1255 1. *Except as otherwise provided in subsection 4, in addition to any conditions of parole required to be imposed pursuant to NRS 213.1245, as a condition of releasing on parole a prisoner who was convicted of committing an offense listed in subsection 6 against a child under the age of 14 years and who is a Tier 3 offender, the Board shall require that the parolee:*

(a) Reside at a location only if the residence is not located within 1,000 feet of any place, or if the place is a structure, within 1,000 feet of the actual structure, that is designed primarily for use by or for children, including, without limitation, a public or private school, a school bus stop, a center or facility that provides day care services, a video arcade, an amusement park, a playground, a park, an athletic field or a facility for youth sports, or a motion picture theater.

(b) As deemed appropriate by the Chief, be placed under a system of active electronic monitoring that is capable of identifying his location and producing, upon request, reports or records of his presence near or within a crime scene or prohibited area or his departure from a specified geographic location.

(c) Pay any costs associated with his participation under the system of active electronic monitoring, to the extent of his ability to pay.

2. A parolee placed under the system of active electronic monitoring pursuant to subsection 1 shall:

(a) Follow the instructions provided by the Division to maintain the electronic monitoring device in working order.

(b) Report any incidental damage or defacement of the electronic monitoring device to the Division within 2 hours after the occurrence of the damage or defacement.

(c) Abide by any other conditions set forth by the Division with regard to his participation under the system of active electronic monitoring.

3. Except as otherwise provided in this subsection, a person who intentionally removes or disables or attempts to remove or disable an electronic monitoring device placed on a parolee pursuant to this section is guilty of a gross misdemeanor. The provisions of this subsection do not prohibit a person authorized by the Division from performing maintenance or repairs to an electronic monitoring device.

4. The Board is not required to impose a condition of parole listed in subsection 1 if the Board finds that extraordinary circumstances are present and the Board states those extraordinary circumstances in writing.

5. In addition to any conditions of parole required to be imposed pursuant to subsection 1 and NRS 213.1245, as a condition of releasing on parole a prisoner who was convicted of committing an offense listed in subsection ~~{2}~~ 6 against a child under the age of 14 years, the Board shall, when appropriate:

(a) Require the parolee to participate in psychological counseling . ~~{;}~~

(b) Prohibit the parolee from being alone with a child unless another adult who has never been convicted of a sexual offense is present . ~~{; and~~

~~(c) Prohibit the parolee from being on or near the grounds of any place that is primarily designed for use by or for children, including, without limitation, a public or private school, a center or facility that provides day care services, a video arcade and an amusement park.~~

~~{2-}~~ 6. The provisions of ~~{subsection}~~ subsections 1 and 5 apply to a prisoner who was convicted of:

(a) Sexual assault pursuant to paragraph (c) of subsection 3 of NRS 200.366;

(b) Abuse or neglect of a child pursuant to subparagraph (1) of paragraph (a) of subsection 1 or subparagraph (1) of paragraph (a) of subsection 2 of NRS 200.508;

(c) An offense punishable pursuant to subsection 2 of NRS 200.750;

(d) Solicitation of a minor to engage in acts constituting the infamous crime against nature pursuant to subparagraph (1) of paragraph (a) of subsection 1 of NRS 201.195;

(e) Lewdness with a child pursuant to NRS 201.230;

(f) Luring a child or mentally ill person pursuant to NRS 201.560, if punished as a felony; or

(g) Any combination of the crimes listed in paragraphs (a) to (f), inclusive.

Sec. 10.5. NRS 213.130 is hereby amended to read as follows:

213.130 1. The Department of Corrections shall:

(a) Determine when a prisoner sentenced to imprisonment in the state prison is eligible to be considered for parole;

(b) Notify the State Board of Parole Commissioners of the eligibility of the prisoner to be considered for parole; and

(c) Before a meeting to consider the prisoner for parole, compile and provide to the Board data that will assist the Board in determining whether parole should be granted.

2. If a prisoner is being considered for parole from a sentence imposed for conviction of a crime which involved the use of force or violence against a victim and which resulted in bodily harm to a victim and if original or duplicate photographs that depict the injuries of the victim or the scene of the crime were admitted at the trial of the prisoner or were part of the report of the presentence investigation and are reasonably available, a representative sample of such photographs must be included with the information submitted to the Board at the meeting. A prisoner may not bring a cause of action against the State of Nevada, its political subdivisions, agencies, boards, commissions, departments, officers or employees for any action that is taken pursuant to this subsection or for failing to take any action pursuant to this subsection, including, without limitation, failing to include photographs or including only certain photographs. As used in this subsection, "photograph" includes any video, digital or other photographic image.

3. Meetings to consider prisoners for parole may be held semiannually or more often, on such dates as may be fixed by the Board. All meetings are quasi-judicial and must be open to the public. No rights other than those conferred pursuant to this section or pursuant to specific statute concerning meetings to consider prisoners for parole are available to any person with respect to such meetings.

4. Not later than 5 days after the date on which the Board fixes the date of the meeting to consider a prisoner for parole, the Board shall notify the victim of the prisoner who is being considered for parole of the date of the meeting and of his rights pursuant to this subsection, if the victim has requested notification in writing and has provided his current address or if the victim's current address is otherwise known by the Board. The victim of a prisoner being considered for parole may submit documents to the Board and may testify at the meeting held to consider the prisoner for parole. A prisoner must not be considered for parole until the Board has notified any victim of his rights pursuant to this subsection and he is given the opportunity to exercise those rights. If a current address is not provided to or otherwise known by the Board, the Board must not be held responsible if such notification is not received by the victim.

5. The Board may deliberate in private after a public meeting held to consider a prisoner for parole.

6. The Board of State Prison Commissioners shall provide suitable and convenient rooms or space for use of the Board.

7. If a victim is notified of a meeting to consider a prisoner for parole pursuant to subsection 4, the Board shall, upon making a final decision concerning the parole of the prisoner, notify the victim of its final decision.

8. All personal information, including, but not limited to, a current or former address, which pertains to a victim and which is received by the Board pursuant to this section is confidential.

9. The Board must not deny parole to a prisoner unless the prisoner has been given reasonable notice of the meeting and the opportunity to be present at the meeting. If the Board fails to provide notice of the meeting to the prisoner or to provide the prisoner with an opportunity to be present and determines that it may deny parole, the Board may reschedule the meeting.

10. During a meeting to consider a prisoner for parole, the Board shall allow the prisoner:

(a) At his own expense, to have a representative present with whom he may confer; and

(b) To speak on his own behalf or to have his representative speak on his behalf.

11. Upon making a final decision concerning the parole of the prisoner, the Board shall provide written notice to the prisoner of its decision not later than 10 working days after the meeting and, if parole is denied, specific recommendations of the Board to improve the possibility of granting parole the next time the prisoner is considered for parole, if any.

12. For the purposes of this section, "victim" has the meaning ascribed to it in NRS 213.005.

Sec. 11. Section 26 of Assembly Bill No. 579 of this session is hereby amended to read as follows:

Sec. 26. *When an offender convicted of a crime against a child or a sex offender registers with a local law enforcement agency as required pursuant to NRS 179D.460 or 179D.480 or section 27 of this act, or updates his registration as required pursuant to section 28 of this act:*

1. *The offender or sex offender shall provide the local law enforcement agency with the following:*

(a) *The name of the offender or sex offender and all aliases that he has used or under which he has been known;*

(b) *The social security number of the offender or sex offender;*

(c) *The address of any residence or location at which the offender or sex offender resides or will reside;*

(d) *The name and address of any place where the offender or sex offender is a worker or will be a worker;*

(e) *The name and address of any place where the offender or sex offender is a student or will be a student;*

(f) *The license plate number and a description of all motor vehicles registered to or frequently driven by the offender or sex offender; and*

(g) *Any other information required by federal law.*

2. If the offender or sex offender has not previously provided a biological specimen pursuant to NRS 176.0913 or 176.0916, the offender or sex offender shall provide a biological specimen to the local law enforcement agency. The local law enforcement agency shall provide the specimen to the forensic laboratory that has been designated by the county in which the offender or sex offender resides, is present or is a worker or student to conduct or oversee genetic marker testing for the county pursuant to NRS 176.0917.

3. The local law enforcement agency shall ensure that the record of registration of the offender or sex offender includes, without limitation:

(a) A complete physical description of the offender or sex offender, a current photograph of the offender or sex offender and the fingerprints and palm prints of the offender or sex offender;

(b) The text of the provision of law defining each offense for which the offender or sex offender is required to register;

(c) The criminal history of the offender or sex offender, including, without limitation:

(1) The dates of all arrests and convictions of the offender or sex offender;

(2) The status of parole, probation or supervised release of the offender or sex offender;

(3) The status of the registration of the offender or sex offender; and

(4) The existence of any outstanding arrest warrants for the offender or sex offender;

(d) A report of the analysis of the genetic markers of the specimen obtained from the offender or sex offender;

(e) The identification number from a driver's license or an identification card issued to the offender or sex offender by this State or any other jurisdiction and a photocopy of such driver's license or identification card; and

(f) Any other information required by federal law.

Sec. 12. Section 27 of Assembly Bill No. 579 of this session is hereby amended to read as follows:

Sec. 27. 1. In addition to any other registration that is required pursuant to NRS 179D.010 to 179D.550, inclusive, and sections 16 to 30, inclusive, of this act, each offender or sex offender who, on or after October 1, 2007, is or has been convicted of a crime against a child or a sexual offense shall register initially with the appropriate local law enforcement agency of the jurisdiction in which the offender or sex offender was convicted pursuant to the provisions of this section.

2. An offender or sex offender shall initially register with a local law enforcement agency as required pursuant to subsection 1:

(a) If the offender or sex offender is sentenced to a term of imprisonment for the crime, before being released from incarceration or confinement for the crime; and

(b) If the offender or sex offender is not sentenced to a term of imprisonment for the crime, not later than 3 business days after the date on which the offender or sex offender was sentenced for the crime.

Sec. 13. 1. There is hereby appropriated from the State General Fund to the State Motor Pool for the Fiscal Year 2007-2008 the sum of \$30,112 for the purchase of two motor pool vehicles to be used by the staff employed by the Division of Parole and Probation of the Department of Public Safety for the purpose of carrying out the provisions of this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2008, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2008, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2008.

Sec. 14. 1. There is hereby appropriated from the State General Fund to the Division of Parole and Probation of the Department of Public Safety for the purpose of carrying out the provisions of this act the sums of:

For the Fiscal Year 2007-2008\$587,115

For the Fiscal Year 2008-2009\$245,567

2. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years must not be committed for expenditure after June 30 of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2008, and September 18, 2009, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2008, and September 18, 2009, respectively.

Sec. 15. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of sections 4, 6 and 11 of this act.

Sec. 16. The amendatory provisions of:

1. Section 2 of this act apply to a person who is granted probation or a suspension of sentence before, on or after October 1, 2007.

2. Section 8 of this act apply to a person who is placed under a program of lifetime supervision before, on or after October 1, 2007; and

3. Sections 9 and 10 of this act apply to a person who is released on parole before, on or after October 1, 2007.

Sec. 17. 1. This section ~~and sections~~ becomes effective upon passage and approval. Section 10.5 of this act becomes effective upon passage and approval for the purpose of adopting rules and regulations and establishing any forms necessary to carry out the provisions of that section and on October 1, 2007, for all other purposes.

2. Sections 13 and 14 of this act become effective on July 1, 2007.

~~2.1~~ 3. Sections 1 to 10, inclusive, 15 and 16 of this act become effective on October 1, 2007.

~~3.1~~ 4. Sections 11 and 12 of this act become effective on October 1, 2007, only if Assembly Bill No. 579 of this session becomes effective.

~~4.1~~ 5. Sections 5 and 6 of this act expire by limitation on June 30, 2008.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 471.

Remarks by Senators Raggio and Care.

Senator Care requested that his remarks be entered in the Journal.

Thank you, Mr. President. In my discussions with the Chair of Judiciary and one of the sponsors of similar legislation, I need to say this for legislative intent.

Section 10 of the bill recognizes that the hearing before the Parole Board is a quasi-judicial proceeding, which means the defendant or inmate is entitled to some form of due process. In the amendment it says the inmate is entitled to reasonable notice of a hearing, has a right to be present and has a right to have someone at his own expense to be present at the hearing indicating he has the right to be there while a victim is testifying or a family member is testifying on behalf of the deceased victim. He has that right; however, there is nothing in the statute that would preclude the Board from asking the defendant to step outside the room at the request of the victim or the victim's family member. If he chose to stay, he could, but that would not be lost on the Board.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 476.

The following Assembly amendment was read:

Amendment No. 1150.

"SUMMARY—Makes various changes concerning business practices. (BDR 54-1389)"

"AN ACT relating to business; providing for the licensing and regulation of exchange facilitators by the Division of Financial Institutions of the Department of Business and Industry; authorizing the Division to charge and collect fees in certain circumstances; providing a penalty; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Under existing law, the Real Estate Division of the Department of Business and Industry regulates the activities of qualified intermediaries. (NRS 645.606-645.6085) This bill transfers regulatory and licensing authority concerning qualified intermediaries from the Real Estate Division

to the Division of Financial Institutions of the Department of Business and Industry.

Section 42 of this bill renames the entities to be regulated and licensed as "exchange facilitators," and expands the scope of this term to include both qualified intermediaries and exchange accommodation titleholders.

Sections 3-21.5, 42, 43 and 47-50 of this bill regulate the activities of exchange facilitators and include provisions concerning: (1) applications for and renewals of a license as an exchange facilitator; (2) certain bonds and insurance policies that must be maintained by a licensee; (3) the handling of money held in accounts for clients; (4) the management of a licensee that is not a natural person; and (5) notice that must be provided to clients and to the Division in certain circumstances. Sections 21 and 21.5 set forth the fees which the Division is required to charge and collect relating to applications for and renewals of a license and how money received by the Division must be deposited.

Sections 22-38 of this bill govern disciplinary proceedings against an exchange facilitator. Section 22 authorizes the Commissioner of the Division of Financial Institutions to investigate an exchange facilitator. Section 25 authorizes the Commissioner to require a licensee to pay an administrative fine of not more than \$200 per day or to suspend, revoke, deny the renewal of or place conditions upon his license, or impose any combination of such actions in certain circumstances. Under section 38, a person who is not licensed pursuant to the provisions of this bill who acts as an exchange facilitator or holds himself out as a licensee is guilty of a *gross* misdemeanor and is further liable to the Division for a civil penalty of \$200 per day for each day that the violation continues.

Section 39 of this bill authorizes the Division to issue a reciprocal license to a person who is licensed as an exchange facilitator in another state in certain circumstances. Section 39.5 of this bill authorizes the Division to issue a special license to a financial institution that maintains an office in this State in certain circumstances.

Section 40 of this bill requires the Commissioner to conduct an audit of all exchange facilitators at least every 5 years and to conduct on a random basis additional partial audits of any licensee who has a history of violations of the provisions of this bill.

Upon passage and approval of this bill, the Legislative Counsel will transfer NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act from chapter 645 of NRS to a new chapter of NRS. Upon passage and approval of this bill, the Legislative Counsel will transfer all the regulations created under NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act to the chapter of NAC that corresponds with the new chapter of NRS in which NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act are transferred.

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

Section 1. (Deleted by amendment.)

Sec. 2. Chapter 645 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 40, inclusive, of this act.

Sec. 3. *As used in NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 645.606 and sections 4 to 7, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *"Commissioner" means the Commissioner of Financial Institutions.*

Sec. 5. *"Division" means the Division of Financial Institutions of the Department of Business and Industry.*

Sec. 6. *"Financial institution" means any bank, savings and loan association, savings bank or trust company, including ~~an affiliate,~~ a subsidiary or holding company of these, doing business in this State that is federally insured and organized under, or supervised pursuant to, the laws of the United States or of any state.*

Sec. 7. *"Licensee" means a person licensed as an exchange facilitator pursuant to the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act.*

Sec. 8. *Except as otherwise provided in NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act, the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act, do not apply to:*

1. *Any bank, thrift company, credit union, trust company, savings and loan association, including ~~an affiliate,~~ a subsidiary or holding company of these, or any mortgage or farm loan association licensed under the laws of this State or of the United States, with reference to property it has acquired for development, for the convenient transaction of its business, or as a result of foreclosure of property encumbered in good faith as security for a loan or other obligation it has originated or holds.*

2. ~~*A corporation which, through its regular officers who receive no special compensation for it, performs any of those acts with reference to the property of the corporation.*~~

3. ~~*The services rendered by an attorney at law in the performance of his duties as an attorney at law.*~~

4. ~~*A receiver, trustee in bankruptcy, administrator or executor, or any other person doing any of the acts specified in NRS 645.030 under the jurisdiction of any court.*~~

5. ~~*3. A trustee acting under a trust agreement, deed of trust or will, or the regular salaried employees thereof.*~~

6. ~~*4. The purchase, sale or locating of mining claims or options thereon or interests therein.*~~

7. ~~*5. The State of Nevada or a political subdivision thereof.*~~

Sec. 9. 1. *A license issued pursuant to NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act is nontransferable.*

2. The business of a licensee must not be sold or ownership of the business transferred before the prospective buyer or owner has complied with the provisions of section 43 of this act.

Sec. 10. 1. A licensee may establish one or more branch offices in this State.

2. A licensee who establishes one or more branch offices in this State shall provide written notice to the Division of the establishment of any such branch office within 30 days after establishment of the branch office.

Sec. 11. A license issued pursuant to the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act must be conspicuously displayed in the primary place of business of the licensee, and a copy of the license must be conspicuously displayed in each branch office of the licensee.

Sec. 12. 1. The business of a licensee, if the licensee is not a natural person, must be conducted under the direct management of an officer or employee of the licensee designated by the licensee as an exchange facilitator officer, who is licensed pursuant to the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act and who is:

(a) An attorney or certified public accountant admitted to practice in any state or territory of the United States;

(b) A certified exchange specialist certified by the Federation of Exchange Accommodators or its successor; or

(c) A person who has been actively conducting the business of an exchange facilitator or who has equivalent experience, as determined by the Division, for the 3 years immediately preceding his designation as an exchange facilitator officer.

2. A licensee shall ~~immediately~~ notify the Division in writing ~~of~~ within 10 working days after:

(a) The designation of any exchange facilitator officer, setting forth the experience and qualifications of the exchange facilitator officer and other such information as may be required by the Division; and

(b) The termination of the employment of any exchange facilitator officer.

Sec. 13. 1. Each licensee is a fiduciary of all money, property, other considerations and instruments received by the licensee from the client.

2. Each licensee shall invest money related to a tax-deferred exchange of property in investments which meet the reasonable standards that are applicable to persons acting as fiduciaries in this State.

Sec. 14. Money held in any account for a client may not be withdrawn from the account without the written approval of the licensee and the client.

Sec. 15. 1. Except as otherwise provided in subsection 2, a licensee shall maintain a policy of insurance covering liability for errors and omissions in an amount not less than \$250,000 executed by an insurer authorized to do business in this State and approved by the Division.

2. In lieu of such a policy of insurance, a licensee may deposit with the Division under such terms and conditions as the Division may prescribe, a

like amount of lawful money of the United States or any other form of security authorized by NRS 100.065. If security is provided in the form of a savings certificate, certificate of deposit or investment certificate, the certificate must state that the amount is unavailable for withdrawal except upon order of the Division.

3. *A licensee shall provide proof of the coverage required pursuant to this section, including, without limitation, the name and address of the insurer, to a client.*

4. *The provisions of subsections 1 and 2 do not prohibit the licensee from maintaining a policy of insurance, deposits or other forms of security in excess of the amounts required by subsections 1 and 2.*

5. *Any person claiming against a policy of insurance or deposit required by this section may bring an action in a court of competent jurisdiction on the policy of insurance or deposit for damages to the extent covered by the policy. A person who brings an action on a policy or deposit shall notify the Division in writing upon filing the action.*

6. *Upon receiving a request from a client of an exchange facilitator, the Division shall notify the client:*

(a) That a policy of insurance is in effect or that a deposit has been made, and the amount of either; and

(b) If there is an action against the policy of insurance, of the title, court and case number of the action and the amount sought by the plaintiff.

7. *If an insurer, or in the case of a deposit, the Division, wishes to make payment without awaiting action by a court, the amount of the policy or deposit must be reduced to the extent of any payment made by the insurer or the Division in good faith under the policy or deposit. Any payment must be based on written claims received by the insurer or the Division before any action is taken by a court.*

8. *Claims against a policy of insurance or deposit have equal priority, and if the policy or deposit is insufficient to pay all claims in full, they must be paid on a pro rata basis. Partial payment of claims is not full payment, and any claimant may bring an action against the exchange facilitator for the unpaid balance.*

Sec. 16. *A licensee shall provide written notice to the Division at least 30 days before the cancellation or withdrawal of any bond, policy of insurance or security required pursuant to NRS 645.608 or section 15 of this act. The Division shall suspend the license of a licensee upon notice that the licensee has cancelled or withdrawn any bond, policy of insurance or security required pursuant to NRS 645.608 or section 15 of this act.*

Sec. 17. *(Deleted by amendment.)*

Sec. 18. *All exchange funds must be kept separate from money belonging to the licensee and must be deposited in a financial institution that is federally insured or insured by a private insurer approved pursuant to NRS 678.755 unless another financial institution has been designated in writing in the exchange agreement. The money when deposited must be*

designated as "trust funds" or "escrow accounts" or under some other appropriate name indicating that the money is not the money of the licensee.

Sec. 19. 1. Exchange funds are not subject to execution or attachment on any claim against the licensee.

2. A licensee shall not knowingly keep or cause to be kept any money in any bank, credit union or other financial institution under any name designating the money as belonging to the clients of any licensee, unless the money belongs to the client and was actually entrusted to the licensee by the client.

Sec. 20. If a licensee fails to apply for a renewal of his license before the date of the expiration thereof, no license may be issued to him except upon another application for an original license, except that within 1 year of such expiration a renewal may be issued upon payment of a fee one and one-half times the amount otherwise required for renewal.

Sec. 21. 1. The Commissioner shall charge and collect the following fees:

(a) For the filing and investigation of an application for a license, a nonrefundable fee of not more than \$1,000 and any additional expenses incurred in the process of investigation;

(b) For the issuance of a license, at least \$200;

(c) For the annual renewal of a license, at least \$200;

(d) For the issuance of a license for each branch office of a licensee, a nonrefundable fee of at least \$200;

(e) For the annual renewal of a license for each branch office of a licensee, at least \$250;

(f) For the issuance of a reciprocal license, at least \$150;

(g) For the annual renewal of a reciprocal license, at least \$150; and

(h) For the reissuance of a license because of a change in the business address of the licensee, at least \$200.

2. All money received by the Commissioner pursuant to paragraph (a) of subsection 1 must be placed in the Investigative Account for Financial Institutions created by NRS 232.545.

3. The Commissioner shall adopt regulations establishing the amount of fees required pursuant to this section.

Sec. 21.5. Except as otherwise provided in NRS 645.6085 and section 21 of this act, all money received by the Commissioner pursuant to this chapter must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

Sec. 22. The Commissioner or the Division may investigate the actions of any exchange facilitator or any person who acts in any such capacity within this State.

Sec. 23. The Division shall maintain a public docket or other record in which it shall record from time to time as made:

1. The rulings or decisions upon all complaints filed with the Division concerning an exchange facilitator.

2. *All investigations instituted by the Commissioner or the Division in the first instance, upon or in connection with which any hearing has been held, or in which the licensee charged has made no defense.*

3. *Denials of applications made to the Division for licensing.*

Sec. 24. 1. *Except as otherwise provided in this section, a complaint filed with the Division alleging a violation of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act, all documents and other information filed with the complaint and all documents and other information compiled as a result of an investigation conducted to determine whether to initiate disciplinary action are confidential.*

2. *A complaint or other document filed with the Division to initiate disciplinary action and all documents and information considered by the Division when determining whether to impose discipline are public records.*

Sec. 25. 1. *The Commissioner may require a licensee to pay an administrative fine of not more than \$200 per day for each violation he commits or may suspend, revoke, deny the renewal of or place conditions upon his license, or impose any combination of those actions, at any time if:*

(a) *The licensee, by false or fraudulent representation, obtained a license.*

(b) *The licensee, whether or not acting as such, is found guilty of:*

(1) *Making any material misrepresentation.*

(2) *Making any false promises of a character likely to influence, persuade or induce.*

(c) *The licensee has failed, within a reasonable time, to account for or to remit any money which comes into his possession or under his control and which belongs to others.*

(d) *The licensee has engaged in any fraudulent act.*

(e) *The licensee or an owner, officer, director or employee of a licensee, is found guilty of any crime involving fraud, misrepresentation, deceit, embezzlement, misappropriation of money, robbery or theft.*

(f) *The licensee has failed to fulfill a contractual duty to deliver property or money, unless the failure to deliver such property or money is beyond the control of the licensee.*

(g) *A receiver or conservator is appointed to take control of the assets of a licensee.*

(h) *The licensee is dissolved.*

(i) *The licensee is bankrupt.*

(j) *The licensee fails to maintain, for review and audit by the Division, each agreement governed by the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act and entered into by the licensee.*

(k) *The licensee violates any provision of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act or any regulations adopted pursuant thereto.*

2. *An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.*

3. In addition to any action set forth in subsection 1, the Division may, if it determines that an applicant for a license or a licensee has committed any of the acts set forth in subsection 1, after notice and a hearing required by law, require the applicant or licensee to pay the costs incurred by the Division to conduct any related investigation or hearing.

Sec. 26. 1. The Division shall not suspend the license of a licensee pursuant to section 25 of this act for more than 2 years.

2. After the revocation of any license by the Commissioner as provided in NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act, no new license may be issued to the same licensee within 2 years after the date of the revocation and then only provided that the licensee satisfies all the requirements for an original license.

Sec. 27. (Deleted by amendment.)

Sec. 28. The expiration or revocation of a license by operation of law or by order or decision of the Division or a court of competent jurisdiction, or the voluntary surrender of a license does not:

1. Prohibit the Commissioner or the Division from initiating or continuing an investigation of, or action or disciplinary proceeding against, the exchange facilitator as authorized pursuant to the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act or the regulations adopted pursuant thereto; or

2. Prevent the imposition or collection of any penalty authorized pursuant to the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act or the regulations adopted pursuant thereto against the exchange facilitator.

Sec. 29. 1. The procedure set forth in this section and section 30 of this act must be followed before the Division revokes, suspends or denies the renewal of any license issued pursuant to NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act.

2. Upon the initiation of a complaint by the Division, the matter must be set for a hearing by the Commissioner, who shall schedule a hearing before the Commissioner, and the licensee is entitled to be heard thereon in person or by counsel.

3. The Commissioner shall hold the hearing within 90 days after the filing of a complaint by the Division. The time of the hearing may be continued at the discretion of the Commissioner or upon the written request of the licensee or of the Division for good cause shown.

4. The licensee must be given at least 30 days' notice in writing by the Division of the date, time and place of the hearing together with a copy of the complaint and copies of all communications, reports, affidavits or depositions in possession of the Division relevant to the complaint. The Division may present evidence obtained after the notice only if the Division shows that the evidence was not available after diligent investigation before the time notice was given to the licensee and that the evidence was given or communicated to the licensee immediately after it was obtained.

5. Notice is complete upon delivery personally to the licensee or by mailing by certified mail to the last known address of the licensee.

Sec. 30. 1. The licensee shall file an answer to the charges with the Commissioner not later than 30 days after service of the notice and other documents described in subsection 4 of section 29 of this act. The answer must contain an admission or denial of the allegations contained in the complaint and any defenses upon which the licensee will rely. If no answer is filed within the time limit described in this subsection, the Division may, after notice to the licensee served in the manner authorized in subsection 5 of section 29 of this act, move for the entry of a default against the licensee.

2. The answer may be served by delivery to the Division, or by mailing the answer by certified mail to the principal office of the Division.

3. No proceeding to suspend, revoke or deny the renewal of any license may be maintained unless it is commenced by the giving of notice to the licensee within 3 years of the time of the act charged, whether of commission or omission, except:

(a) If the charges are based upon a misrepresentation, or failure to disclose, the period does not commence until the discovery of facts which do or should lead to the discovery of the misrepresentation or failure to disclose; and

(b) Whenever any action or proceeding is instituted to which the Division or the licensee is a party and which involves the conduct of the licensee in the transaction with which the charges are related, the running of the 3-year period with respect to the institution of a proceeding pursuant to NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act to suspend, revoke or deny the renewal of the license is suspended during the pendency of the action or proceeding.

Sec. 31. The hearing on the charges must be held at such time and place as the Commissioner prescribes. At the hearing, a stenographic transcript of the proceedings must be made if requested or required for judicial review. Any party to the proceedings desiring a transcript must be furnished with a copy upon payment to the Division of the reasonable cost of transcription.

Sec. 32. 1. The Commissioner shall have the power to administer oaths, certify to all official acts, and issue subpoenas for attendance of witnesses and the production of books and papers.

2. In any hearing or investigation in any part of the State, the process issued by the Commissioner shall extend to all parts of the State and may be served by any person authorized to serve process of courts of record. The person serving any such process shall receive such compensation as may be allowed by the Commissioner, not to exceed the fees prescribed by law for similar service, and such fees must be paid in the same manner as provided in section 33 of this act for the payment of the fees of witnesses.

Sec. 33. 1. Each witness who appears by order of the Commissioner is entitled to receive for his attendance the same fees and mileage allowed by

law to a witness in civil cases, which amount must be paid by the party at whose request the witness is subpoenaed.

2. When any witness not otherwise required to attend is subpoenaed by the Commissioner, his fees and mileage must be paid by the Division.

Sec. 34. 1. The district court in and for the county in which any hearing may be held shall have the power to compel the attendance of witnesses, the giving of testimony and the production of books and papers as required by any subpoena issued by the Commissioner.

2. In case of the refusal of any witness to attend or testify or produce any papers required by such subpoena, the Commissioner may report to the district court in and for the county in which the hearing is pending by petition, setting forth:

(a) That due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) That the witness has been subpoenaed in the manner prescribed in NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act; and

(c) That the witness has failed and refused to attend or produce the papers required by subpoena before the Commissioner in the cause or proceeding named in the subpoena, or has refused to answer questions propounded to him in the course of such hearing,

➡ and asking an order of the court compelling the witness to attend and testify or produce the books or papers before the Commissioner.

3. The court, upon petition of the Commissioner, shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in such order, the time to be not more than 10 days from the date of the order, and then and there show cause why he has not attended or testified or produced the books or papers before the Commissioner. A certified copy of the order shall be served upon the witness. If it shall appear to the court that the subpoena was regularly issued by the Commissioner, the court shall thereupon enter an order that the witness appear before the Commissioner at the time and place fixed in the order and testify or produce the required books or papers, and upon failure to obey the order, the witness shall be dealt with as for contempt of court.

Sec. 35. 1. The Commissioner may, in any hearing before him, cause the depositions of witnesses residing within or without the State to be taken in the manner prescribed by the Nevada Rules of Civil Procedure for like depositions in civil actions in the district courts of this State, and to that end may compel the attendance of witnesses and the production of books and papers.

2. The clerk of the district court in and for the county in which any hearing may be held by the Commissioner shall, upon the application of the Commissioner, issue commissions to other states for the taking of evidence therein for use in any proceedings before the Commissioner.

3. Any party to any hearing before the Commissioner shall have the right to the attendance of witnesses in his behalf at such hearing or upon deposition as set forth in this section upon making request therefor to the Commissioner and designating the name and address of the person or persons sought to be subpoenaed.

Sec. 36. 1. The Commissioner shall render an informal decision on any complaint within 15 days after the final hearing thereon and shall give notice in writing of the ruling or decision to the applicant or licensee affected thereby within 60 days after the final hearing thereon by certified mail to the last known address of the person to whom the notice is sent.

2. If the ruling is adverse to the licensee, the Commissioner shall also state in the notice the date upon which the ruling or decision becomes effective, which date must not be less than 30 days after the date of the notice.

3. The decision of the Commissioner may not be stayed by any appeal in accordance with the provisions of section 37 of this act, unless the district court so orders upon motion of the licensee, notice to the Division of the motion and opportunity for the Division to be heard.

4. An appeal from a decision of the district court affirming the revocation or suspension of a license does not stay the order of the Commissioner unless the district or appellate court, in its discretion and upon petition of the licensee, after notice and hearing orders such stay, and upon the filing of a bond for costs in the amount of \$1,000.

Sec. 37. 1. A ruling or decision of the Commissioner in any disciplinary action is final when in favor of the licensee.

2. If a ruling or decision is against the licensee, the licensee is entitled to judicial review of the ruling or decision in the manner provided by chapter 233B of NRS.

Sec. 38. 1. Any person who is not licensed pursuant to NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act who acts as an exchange facilitator in this State or holds himself out as a licensee and any licensee who commits an act set forth in subsection 1 of section 25 of this act is:

(a) Guilty of a gross misdemeanor.

(b) Liable to the Division for a civil penalty of \$200 per day for each day that the violation continues.

2. The Division may file an action for injunctive relief in the appropriate district court in this State to prevent the occurrence or continuance of that act.

Sec. 39. 1. A person who is licensed as an exchange facilitator in another state or territory of the United States and is not otherwise required to be licensed pursuant to the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act may submit an application for a reciprocal license as an exchange facilitator pursuant to

the provisions of this section. The Division shall issue a reciprocal license to the applicant if:

(a) The applicant is licensed in a jurisdiction that grants reciprocal licensing to a person licensed pursuant to NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act;

(b) The Division determines that the laws and regulations governing exchange facilitators of the jurisdiction in which the applicant is licensed are at least equivalent to the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act;

(c) The applicant provides proof satisfactory to the Division that the applicant has complied with the requirements of NRS 645.608 and section 15 of this act;

(d) The applicant pays the fee required pursuant to section 21 of this act;

(e) The applicant designates the Division as its representative to receive service of process for matters arising in this State; and

(f) The applicant does not maintain an office in this State in connection with the conduct of the business of an exchange facilitator.

2. The Division shall:

(a) Examine the laws of each state to identify the jurisdictions that meet the requirements for recognition of a reciprocal license pursuant to this section; and

(b) Publish annually a list of the jurisdictions that meet the requirements of this section.

3. A license issued pursuant to this section must be renewed annually on or before July 1, by providing the information required by the Division for that purpose and paying the renewal fee prescribed by section 21 of this act.

Sec. 39.5. 1. A financial institution may obtain a special license pursuant to this section.

2. The Division shall issue a special license to a financial institution if the financial institution:

(a) Maintains an office in this State;

(b) Pays the fee required pursuant to section 21 of this act for the issuance of a license; and

(c) Complies with any other requirements set forth by regulations adopted by the Division.

3. A financial institution which obtains a special license pursuant to this section is exempt from the requirements of subsections 2 to 7, inclusive, of section 43 of this act except as otherwise required by regulations adopted by the Division.

4. A license issued pursuant to this section must be renewed annually on or before July 1, by providing the information required by the Division for that purpose and paying the renewal fee prescribed by section 21 of this act.

Sec. 40. 1. The Commissioner shall cause to be conducted at least every 5 years an audit of all licensees. The Commissioner shall cause to be conducted each year on a random basis additional partial audits of any

licensee who has a history of violations of the provisions of NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act, or the regulations adopted pursuant thereto, as determined by the Commissioner.

2. The Commissioner shall require the use of standard auditing procedures and shall establish a manual to describe the standard auditing procedures. The manual must include, without limitation:

- (a) Specific audit objectives;
- (b) Standards for documentation;
- (c) Policies for supervisory review;
- (d) Policies for the training of auditors;
- (e) The format for the audit report; and
- (f) Procedures for the presentation, distribution and retention of the audit report.

3. On or before March 1 of each year, the Commissioner shall make a report of each audit to the Legislature, if it is in session, or to the Interim Finance Committee, if the Legislature is not in session.

Sec. 41. NRS 645.240 is hereby amended to read as follows:

645.240 ~~1-1~~ The provisions of this chapter do not apply to, and the terms "real estate broker" and "real estate salesman" do not include, any:

~~1(a)~~ 1. Owner or lessor of property, or any regular employee of such a person, who performs any of the acts mentioned in NRS 645.030, 645.040, 645.230 and 645.260, with respect to the property in the regular course of or as an incident to the management of or investment in the property. For the purposes of this paragraph, "management" means activities which tend to preserve or increase the income from the property by preserving the physical desirability of the property or maintaining high standards of service to tenants. The term does not include sales activities.

~~1(b)~~ 2. Employee of a real estate broker while engaged in the collection of rent for or on behalf of the broker.

~~1(c)~~ 3. Person while performing the duties of a property manager for a property, if the person maintains an office on the property and does not engage in property management with regard to any other property.

~~1(d)~~ 4. Person while performing the duties of a property manager for a common-interest community governed by the provisions of chapter 116 of NRS, a condominium project governed by the provisions of chapter 117 of NRS, a time share governed by the provisions of chapter 119A of NRS, or a planned unit development governed by the provisions of chapter 278A of NRS, if the person is a member in good standing of, and, if applicable, holds a current certificate, registration or other similar form of recognition from, a nationally recognized organization or association for persons managing such properties that has been approved by the Real Estate Division by regulation.

~~1(e)~~ 5. Person while performing the duties of a property manager for property used for residential housing that is subsidized either directly or indirectly by this State, an agency or political subdivision of this State, or the Federal Government or an agency of the Federal Government.

~~[2.—Except as otherwise provided in NRS 645.606 to 645.6085, inclusive, the provisions of this chapter do not apply to:~~

~~(a) Any bank, thrift company, credit union, trust company, savings and loan association or any mortgage or farm loan association licensed under the laws of this State or of the United States, with reference to property it has acquired for development, for the convenient transaction of its business, or as a result of foreclosure of property encumbered in good faith as security for a loan or other obligation it has originated or holds.~~

~~(b) A corporation which, through its regular officers who receive no special compensation for it, performs any of those acts with reference to the property of the corporation.~~

~~(c) The services rendered by an attorney at law in the performance of his duties as an attorney at law.~~

~~(d) A receiver, trustee in bankruptcy, administrator or executor, or any other person doing any of the acts specified in NRS 645.030 under the jurisdiction of any court.~~

~~(e) A trustee acting under a trust agreement, deed of trust or will, or the regular salaried employees thereof.~~

~~(f) The purchase, sale or locating of mining claims or options thereon or interests therein.~~

~~(g) The State of Nevada or a political subdivision thereof.]~~

Sec. 42. NRS 645.606 is hereby amended to read as follows:

645.606 1. ~~[As used in NRS 645.606 to 645.6085, inclusive, "qualified intermediary" has the meaning ascribed to it]~~ "Exchange facilitator" means a person who, for compensation of any kind, acts as:

~~(a) A qualified intermediary as defined in 26 C.F.R. § [1.1031(k)-1(g)] 1.1031(k)-1(g)(4) for a client whose relinquished property is located in this State; or~~

~~(b) An exchange accommodation titleholder, as that term is defined in Rev. Proc. 2000-37, who holds title to property located in this State.~~

2. The term includes any person who ~~[advertises]~~ :

~~(a) Maintains an office in this State for the purpose of soliciting business as an exchange facilitator; or~~

~~(b) Advertises or holds himself out as prepared to facilitate a tax-deferred exchange of property in this State by acting as the custodian of money or other property.~~

3. The term does not include ~~[a bank, credit union or other depository institution, an escrow company, a title insurer, an agent licensed pursuant to chapter 692A of NRS or its subsidiaries or employees.]~~ :

~~(a) A taxpayer or disqualified person, as those terms are defined in 26 C.F.R. § 1.1031(k)-1(k), who is seeking to qualify for nonrecognition pursuant to 26 U.S.C. § 1031;~~

~~(b) A financial institution when acting solely as a depository for funds used in a tax-deferred exchange of property;~~

(c) *A person who advertises for and teaches seminars or classes, or otherwise gives presentations to attorneys, accountants, real estate professionals, tax professionals or other professionals with the primary purpose of teaching such professionals about tax-deferred exchanges or training such professionals to act as exchange facilitators; or*

(d) *A qualified intermediary, as defined in 26 C.F.R. § 1.1031(k)-1(g)(4), who holds exchange funds received from the disposition of relinquished property located outside this State.*

Sec. 43. NRS 645.6065 is hereby amended to read as follows:

645.6065 1. Except as otherwise provided in NRS 645.607, a person shall not act as ~~an exchange facilitator~~ *an exchange facilitator* unless he is ~~registered~~ *licensed* as such with the Division. The Division may adopt such regulations as it deems necessary to carry out the provisions of NRS 645.606 to 645.6085, inclusive ~~of this act~~ *, and sections 3 to 40, inclusive, of this act*, including, without limitation, regulations prescribing amounts required for liquidity purposes.

2. To apply for ~~registration~~ *a license as an exchange facilitator*, a person must pay the Division ~~a fee of \$100 and a fee to pay the costs of an investigation of the person's background~~ *the fee prescribed by section 21 of this act*.

3. In addition to the requirements set forth in subsection 2, the person must submit to the Division:

(a) The following information on a form provided by the Division:

(1) The applicant's name, *business* address and telephone number;

(2) The name under which the applicant will hold the money or other property of a client;

(3) The names, residence and business addresses of all *shareholders or members who hold 10 percent or more of the voting stock of the applicant's business and all persons having an interest in the business as principals, partners, officers, trustees or directors, specifying the capacity and title of each; and*

(4) The length of time the applicant has been engaged in the business of acting as such an ~~intermediary; and~~ *exchange facilitator*;

(5) *A summary description of the business of the applicant;*

(6) *A list of any similar licenses obtained and maintained in other states or other jurisdiction and information regarding revocation of any such license;*

(7) *The tax identification number of the applicant; and*

(8) *A current certificate of good standing for the applicant from the state or other jurisdiction in which the applicant's business is formed; and*

(b) All information required to complete the application.

4. Each applicant must, as part of his application and at his own expense:

(a) Arrange to have ~~a complete set of his fingerprints~~ taken, by a law enforcement agency or other authorized entity acceptable to the Division ~~of~~ *, a complete set of the applicant's fingerprints and the fingerprints of each*

person or officer who will be conducting the business of the applicant in this State and who has authority to transfer exchange money held by the applicant; and

(b) Submit to the Division:

(1) A completed fingerprint card and written permission authorizing the Division to submit the ~~{applicant's}~~ fingerprints *described in paragraph (a)* to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the ~~{applicant's}~~ background *of each person whose fingerprints were taken* and to such other law enforcement agencies as the Division deems necessary; or

(2) Written verification, on a form prescribed by the Division, stating that the fingerprints ~~{of the applicant}~~ *described in paragraph (a)* were taken and directly forwarded electronically or by another means to the Central Repository and that ~~{the applicant}~~ *each person whose fingerprints were taken* has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the ~~{applicant's}~~ background *of each such person* and to such other law enforcement agencies as the Division deems necessary.

5. The Division may:

(a) Unless the ~~{applicant's}~~ fingerprints *described in paragraph (a) of subsection 4* are directly forwarded pursuant to subparagraph (2) of paragraph (b) of subsection 4, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Division deems necessary; and

(b) Request from each such agency any information regarding the ~~{applicant's}~~ background *of each person whose fingerprints were taken* as the Division deems necessary.

6. ~~{Registration}~~ *The Division shall approve an application submitted pursuant to this section within 45 days after the submission of the completed application, any additional information required by the Division and proof satisfactory to the Division that the applicant has complied with the provisions of NRS 645.608. Upon approval of an application, the Division shall issue a license to the applicant.*

7. *A license issued pursuant to ~~{this section}~~ NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act must be renewed ~~{each year}~~ annually on or before ~~{the date of the original registration}~~ July 1, by providing the information required by the Division for that purpose and paying a renewal fee ~~{of \$75.}~~ prescribed by section 21 of this act.*

Sec. 44. NRS 645.6068 is hereby amended to read as follows:

645.6068 1. In addition to any other requirements set forth in this chapter:

(a) A natural person who applies for the issuance of his ~~{registration as a qualified intermediary}~~ license *as an exchange facilitator* shall include the

social security number of the applicant in the application submitted to the Division.

(b) A natural person who applies for the issuance or renewal of his ~~[registration as a qualified intermediary]~~ *license as an exchange facilitator* shall submit to the Division the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the ~~[registration;]~~ *license*; or

(b) A separate form prescribed by the Division.

3. An applicant may not be ~~[registered as a qualified intermediary]~~ *licensed as an exchange facilitator* by the Division if the applicant is a natural person who:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Division shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 45. NRS 645.6068 is hereby amended to read as follows:

645.6068 1. In addition to any other requirements set forth in this chapter, a natural person who applies for the issuance or renewal of his ~~[registration as a qualified intermediary]~~ *license as an exchange facilitator* shall submit to the Division the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the ~~[registration;]~~ *license*; or

(b) A separate form prescribed by the Division.

3. An applicant may not be ~~[registered as a qualified intermediary]~~ *licensed as an exchange facilitator* by the Division if the applicant is a natural person who:

(a) Fails to submit the statement required pursuant to subsection 1; or
(b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Division shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 46. NRS 645.6069 is hereby amended to read as follows:

645.6069 1. If the Division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is ~~registered with the Division as a qualified intermediary,~~ *licensed as an exchange facilitator*, the Division shall deem the ~~registration~~ *license* issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person who is ~~registered as a qualified intermediary~~ *licensed as an exchange facilitator* stating that the person has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The Division shall reinstate the ~~registration of a qualified intermediary~~ *license of an exchange facilitator* that has been suspended by a district court pursuant to NRS 425.540 if the Division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose ~~registration~~ *license* was suspended stating that the person whose ~~registration~~ *license* was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 47. NRS 645.607 is hereby amended to read as follows:

645.607 1. If the ~~intermediary~~ *exchange facilitator* is a corporation qualified to do business in this State, every officer, ~~and~~ director *and exchange facilitator officer designated pursuant to section 12 of this act* of the corporation who does business in this State must be ~~registered~~ *licensed*. No other employee is required to ~~register~~ *be licensed*.

2. *If the exchange facilitator is not a natural person or a publicly traded company, each shareholder, member or other owner who owns 10 percent or more of the voting stock, shares or other ownership interest of the exchange facilitator must be licensed.*

Sec. 48. NRS 645.6075 is hereby amended to read as follows:

645.6075 A ~~qualified intermediary shall inform~~ *licensee shall*:

1. *Maintain a principal place of business in this State or maintain a registered agent in this State;*

2. ~~*Immediately inform*~~ *Inform* the Division in writing ~~*[of]*~~ *within 10 working days after* any change in ~~*[his address or]*~~ *the address or telephone number [] of his principal place of business or his registered agent, and provide any other information required by the Division; and*

3. ~~*Immediately inform*~~ *Inform* all clients ~~*[if]*~~ *within 10 working days after:*

(a) ~~*[There is a]*~~ *A change in any of the officers, directors, employees or owners of the licensee who are required to obtain a license pursuant to section 12 or 47 of this act; or*

(b) *The licensee or any person described in paragraph (a) acquires a new license, has his license suspended or revoked or otherwise relinquishes, loses or has any other change in the status of his license.*

Sec. 49. NRS 645.608 is hereby amended to read as follows:

645.608 1. Except as otherwise provided in subsection 2, ~~*[a qualified intermediary]*~~ *an exchange facilitator shall [post with the Division a bond] maintain one or more fidelity bonds in a total amount of not less than \$1,000,000 executed by [the intermediary as principal, and by a corporation qualified pursuant to the laws of this State as a surety. The bond must be payable to the State of Nevada and conditioned upon the payment of all money due to the State and the clients of the intermediary. The Division shall, by regulation, establish the minimum amount required for the bond.] an insurer authorized to do business in this State and approved by the Division.*

2. In lieu of such a bond ~~*[an intermediary]*~~, *a licensee may deposit with the Division under such terms and conditions as the Division may prescribe, a like amount of lawful money of the United States or any other form of security authorized by NRS 100.065. If security is provided in the form of a savings certificate, certificate of deposit or investment certificate, the certificate must state that the amount is unavailable for withdrawal except upon order of the Division.*

3. *A licensee shall provide proof of the bond required pursuant to this section, including, without limitation, the name and address of the insurer, to a client.*

4. Any person claiming against a bond *or deposit required by this section* may bring an action in a court of competent jurisdiction on the bond *or deposit* for damages to the extent covered by the bond ~~*[]*~~ *or deposit. A person who brings an action on a bond or deposit shall notify the Division in writing upon filing the action.*

~~*[4.]*~~ 5. Upon receiving a request from a person for whose benefit a bond *or deposit* is required, the Division shall notify him:

(a) That a bond is in effect *or that a deposit has been made*, and the amount of ~~*[the bond]*~~ *either; and*

(b) If there is an action against the bond, of the title, court and case number of the action and the amount sought by the plaintiff.

~~[5-]~~ 6. If ~~[a surety]~~ *an insurer or, in the case of a deposit, the Division* wishes to make a payment without awaiting action by a court, the amount of the bond *or deposit* must be reduced to the extent of any payment made by the ~~[surety]~~ *insurer or the Division* in good faith under the bond ~~[or deposit]~~. Any payment must be based on written claims received by the ~~[surety]~~ *insurer or the Division* before any action is taken by a court.

~~[6-]~~ 7. Claims against a bond *or deposit* have equal priority, and if the bond *or deposit* is insufficient to pay all claims in full, they must be paid on a pro rata basis. Partial payment of claims is not full payment, and any claimant may bring an action against the ~~[intermediary]~~ *licensee* for the unpaid balance.

Sec. 50. NRS 645.6085 is hereby amended to read as follows:

645.6085 The Division shall deposit any money it receives from a civil penalty imposed pursuant to NRS 205.960 *and section 38 of this act* with the State Treasurer for credit to a separate account in the State General Fund. The Division shall expend at least 75 percent of the money so received to pay administrative costs related to:

1. The ~~[registration of intermediaries;]~~ *licensing of exchange facilitators;* and

2. Any program it develops to supply information regarding ~~[intermediaries]~~ *exchange facilitators* to the public.

↪ Any remaining money may be used by the Division to reimburse residents of Nevada for financial losses caused by the illegal conduct of an ~~[intermediary]~~ *exchange facilitator*.

Sec. 51. NRS 205.960 is hereby amended to read as follows:

205.960 1. It is unlawful for a person to enter into an agreement to act as ~~[an]~~ *a qualified intermediary* ~~[to hold the money of another person pursuant to an exchange of property which is or is purported to be tax free pursuant to 26 U.S.C. § 1031]~~, as defined in 26 C.F.R. § 1.1031(k)-1(g)(4), for a client whose relinquished property is located in this State unless:

(a) ~~[The intermediary is a qualified intermediary as defined in 26 C.F.R. § 1.1031(k)-1(g);]~~ *The proceeds from the disposition of the relinquished property are deposited into a qualified escrow account or qualified trust as defined in 26 C.F.R. § 1.1031(k)-1(g)(3).*

(b) ~~[The money is deposited in a qualified escrow account as defined in 26 C.F.R. § 1.1031(k)-1(g); and]~~

~~(c)]~~ *The money is held in such a manner that it may not be withdrawn from the qualified escrow account or qualified trust without the written approval of the intermediary and the* ~~[person for whom he is holding the money.]~~ *client.*

2. A person who violates the provisions of this section is guilty of a category D felony and shall be punished as provided in NRS 193.130.

3. In addition to any other penalty imposed, the court shall order a person who violates subsection 1 to pay a civil penalty of not less than \$10,000. The money so collected:

- (a) Must not be deducted from any penal fine imposed by the court;
- (b) Must be stated separately on the court's docket; and
- (c) Must be remitted forthwith to the ~~[Administrator of the Real Estate Division of the Department of Business and Industry.]~~ *Commissioner of Financial Institutions.*

Sec. 52. (Deleted by amendment.)

Sec. 52.5. NRS 692A.265 is hereby repealed.

Sec. 53. A regulation adopted by the Real Estate Division of the Department of Business and Industry pursuant to NRS 645.606 to 645.6085, inclusive, remains in effect as a regulation of the Division of Financial Institutions of the Department of Business and Industry until amended or repealed by the Division of Financial Institutions.

Sec. 54. As soon as is practicable after passage and approval of this act, the Legislative Counsel will transfer all the regulations created under NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act to the chapter of NAC that corresponds with the new chapter of NRS in which NRS 645.606 to 645.6085, inclusive, and sections 3 to 40, inclusive, of this act are transferred.

Sec. 55. 1. This section and sections 2 to 44, inclusive, and 46 to 54, inclusive, of this act become effective on July 1, 2007.

2. Section 44 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 45 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.

4. Sections 45 and 46 of this act expire by limitation on the date 2 years after 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.

TEXT OF REPEALED SECTION

692A.265 Title insurer, title agent or escrow officer prohibited from handling certain matters when intermediary involved is not registered; Real Estate Division to publish list of registered intermediaries.

1. A title insurer, title agent or escrow officer shall not handle an escrow, settlement or closing in which a qualified intermediary is involved unless he first verifies that the qualified intermediary is registered pursuant to NRS 645.606 to 645.6085, inclusive.

2. The Real Estate Division of the Department of Business and Industry shall, each calendar quarter, publish and distribute to each title insurer, title agent and escrow officer licensed by the Commissioner, a list of the qualified intermediaries registered pursuant to NRS 645.606 to 645.6085, inclusive. For the purposes of subsection 1, the registration of a qualified intermediary may be verified by ascertaining whether his name appears on the list most recently published pursuant to this subsection or, if his name does not appear on that list, by contacting the Real Estate Division.

3. As used in this section, "qualified intermediary" has the meaning ascribed to it in NRS 645.606.

Senator Raggio moved that the Senate concur in the Assembly amendment to Senate Bill No. 476.

Remarks by Senator Raggio.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The first Conference Committee concerning Senate Bill No. 184, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 821 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 42, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions governing education. (BDR 34-419)"

"AN ACT relating to education; revising provisions governing the statewide system of accountability for public schools and school districts; revising provisions governing the Commission on Educational Excellence; revising provisions governing the Commission on Educational Technology; prescribing the minimum credits required of pupils enrolled in high school in certain courses of study; providing for a waiver from the required enrollment in the minimum credits; revising provisions governing the adoption of academic standards; revising provisions governing promotion to high school; making an appropriation; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

The State Board of Education and each school district are required to prepare annual reports of accountability information. (NRS 385.3469, 385.347, 385.349) In addition, the State Board,

each school district and each public school are required to prepare a plan to improve the achievement of pupils. (NRS 385.34691, 385.348, 385.357) Sections 1-7 of this bill revise the provisions governing the annual reports of accountability and the plans to improve.

Each public school is designated annually based upon the yearly progress of the pupils enrolled in the school. (NRS 385.3623, 385.366) If a school is designated for 1 year as demonstrating need for achievement, a technical assistance partnership must be established for the school. (NRS 385.3661, 385.3691, 385.3692) If the school is designated for 2 consecutive years as demonstrating need for improvement, the technical assistance partnership must be continued. (NRS 385.3693) Sections 9, 10 and 24 of this bill eliminate the requirement for the establishment of technical assistance partnerships.

If a public school is designated as demonstrating need for improvement for 3 consecutive years or more, a support team must be established for that school. (NRS 385.3721, 385.374, 385.3741) A support team is required to recommend certain types of corrective action for the school. (NRS 385.3744, 385.376) Sections 11-14 of this bill revise provisions governing the school support teams and the recommendation of corrective action.

Existing law creates the Commission on Educational Excellence and requires the Commission to provide for the distribution of grants of money to public schools and school districts from the Account for Programs for Innovation and the Prevention of Remediation. (NRS 385.3781-385.379) Section 15.5 of this bill revises provisions governing the factors for consideration by the Commission in awarding grants of money from the Account.

Existing law creates the Commission on Educational Technology and requires the Commission to establish a plan for the use of educational technology in the public schools. (NRS 388.790, 388.795) Section 19 of this bill requires the Commission to conduct an assessment of the needs of each school district relating to educational technology during the spring semester of each even-numbered school year for submission to the Legislative Committee on Education and the Legislature.

Existing law designates the core academic subjects that must be taught in all public schools as English, mathematics, science and social studies. (NRS 389.018) Section 20 of this bill prescribes the minimum units of credit in the core academic subjects in which a pupil must enroll. Section 20 also provides that the pupil, his parent or legal guardian and an administrator or counselor at the school may mutually agree to a modified course of study for the pupil.

Existing law requires the Council to Establish Academic Standards for Public Schools to establish the standards of content and performance for certain courses of study. (NRS 389.520) The State Board is required to adopt the standards as submitted by the Council. Section 21 of this bill authorizes the State Board to object to the standards and return the standards to the Council for reconsideration.

Existing law prohibits a pupil from being promoted to high school unless he completes certain course work and credits. (NRS 392.033) Section 22 of this bill provides ~~that if a pupil has not for remedial study for pupils who have been retained [one time] in grade 8, [and he fails again to successfully complete the requirements, he must complete a program of remedial study.]~~

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

Section 1. NRS 385.3469 is hereby amended to read as follows:

385.3469 1. The State Board shall prepare an annual report of accountability that includes, without limitation:

(a) Information on the achievement of all pupils based upon the results of the examinations administered pursuant to NRS 389.015 and 389.550, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(b) Except as otherwise provided in subsection 2, pupil achievement, reported separately by gender and reported separately for the following ~~(subgroups)~~ groups of pupils:

- (1) Pupils who are economically disadvantaged, as defined by the State Board;
- (2) Pupils from major racial and ethnic groups, as defined by the State Board;
- (3) Pupils with disabilities;
- (4) Pupils who are limited English proficient; and
- (5) Pupils who are migratory children, as defined by the State Board.

(c) A comparison of the achievement of pupils in each ~~[subgroup]~~ *group* identified in paragraph (b) of subsection 1 of NRS 385.361 with the annual measurable objectives of the State Board.

(d) The percentage of all pupils who were not tested, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(e) Except as otherwise provided in subsection 2, the percentage of pupils who were not tested, reported separately by gender and reported separately for the ~~[subgroups]~~ *groups* identified in paragraph (b).

(f) The most recent 3-year trend in the achievement of pupils in each subject area tested and each grade level tested pursuant to NRS 389.015 and 389.550, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole, which may include information regarding the trend in the achievement of pupils for more than 3 years, if such information is available.

(g) Information on whether each school district has made adequate yearly progress, including, without limitation, the name of each school district, if any, designated as demonstrating need for improvement pursuant to NRS 385.377 and the number of consecutive years that the school district has carried that designation.

(h) Information on whether each public school, including, without limitation, each charter school, has made adequate yearly progress, including, without limitation, the name of each public school, if any, designated as demonstrating need for improvement pursuant to NRS 385.3623 and the number of consecutive years that the school has carried that designation.

(i) Information on the results of pupils who participated in the examinations of the National Assessment of Educational Progress required pursuant to NRS 389.012.

(j) The ratio of pupils to teachers in kindergarten and at each grade level for all elementary schools, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole, and the average class size for each core academic subject, as set forth in NRS 389.018, for each secondary school, reported for each school district and for this State as a whole.

(k) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, information on the professional qualifications of teachers employed by the school districts and charter schools, including, without limitation:

(1) The percentage of teachers who are:

(I) Providing instruction pursuant to NRS 391.125;

(II) Providing instruction pursuant to a waiver of the requirements for licensure for the grade level or subject area in which the teachers are employed; or

(III) Otherwise providing instruction without an endorsement for the subject area in which the teachers are employed;

(2) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, in this State that are not taught by highly qualified teachers;

(3) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, in this State that are not taught by highly qualified teachers, in the aggregate and disaggregated by high-poverty compared to low-poverty schools, which for the purposes of this subparagraph means schools in the top quartile of poverty and the bottom quartile of poverty in this State;

(4) For each middle school, junior high school and high school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level and subject area; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level and subject area; and

(5) For each elementary school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term

substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level.

(l) The total expenditure per pupil for each school district in this State, including, without limitation, each charter school in the district. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(m) The total statewide expenditure per pupil. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(n) For all elementary schools, junior high schools and middle schools, the rate of attendance, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(o) The annual rate of pupils who drop out of school in *grade 8 and a separate reporting of the annual rate of pupils who drop out of school in grades 9 to 12, inclusive*, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole. ~~[-excluding] The reporting for pupils in grades 9 to 12, inclusive, excludes pupils who:~~

(1) Provide proof to the school district of successful completion of the examinations of general educational development.

(2) Are enrolled in courses that are approved by the Department as meeting the requirements for an adult standard diploma.

(3) Withdraw from school to attend another school.

(p) The attendance of teachers who provide instruction, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(q) Incidents involving weapons or violence, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(r) Incidents involving the use or possession of alcoholic beverages or controlled substances, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(s) The suspension and expulsion of pupils required or authorized pursuant to NRS 392.466 and 392.467, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(t) The number of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(u) The number of pupils in each grade who are retained in the same grade pursuant to NRS 392.033 or 392.125, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(v) The transiency rate of pupils, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole. For the purposes of this paragraph, a pupil is not a transient if he is transferred to a different school within the school district as a result of a change in the zone of attendance by the board of trustees of the school district pursuant to NRS 388.040.

(w) Each source of funding for this State to be used for the system of public education.

(x) A compilation of the programs of remedial study purchased in whole or in part with money received from this State that are used in each school district, including, without limitation, each charter school in the district. The compilation must include:

(1) The amount and sources of money received for programs of remedial study.

(2) An identification of each program of remedial study, listed by subject area.

(y) The percentage of pupils who graduated from a high school or charter school in the immediately preceding year and enrolled in remedial courses in reading, writing or mathematics at a university, state college or community college within the Nevada System of Higher Education, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(z) The technological facilities and equipment available for educational purposes, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(aa) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of pupils who received:

(1) A standard high school diploma ~~[-], reported separately for pupils who received the diploma pursuant to:~~

(I) Paragraph (a) of subsection 1 of section 4 of Senate Bill No. 312 of this session; and

(II) Paragraph (b) of subsection 1 of section 4 of Senate Bill No. 312 of this session.

(2) An adjusted diploma.

(3) A certificate of attendance.

(bb) ~~[-] For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of pupils who ~~failed to receive a high school diploma because the pupils~~ failed to pass the high school proficiency examination . ~~[-], reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.~~~~

(cc) The number of habitual truants who are reported to a school police officer or local law enforcement agency pursuant to paragraph (a) of subsection 2 of NRS 392.144 and the number of habitual truants who are referred to an advisory board to review school attendance pursuant to paragraph (b) of subsection 2 of NRS 392.144, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(dd) Information on the paraprofessionals employed at public schools in this State, including, without limitation, the charter schools in this State. The information must include:

(1) The number of paraprofessionals employed, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole; and

(2) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of all paraprofessionals who do not satisfy the qualifications set forth in 20 U.S.C. § 6319(c). The reporting requirements of this subparagraph apply to paraprofessionals who are employed in programs supported with Title I money and to paraprofessionals who are not employed in programs supported with Title I money.

(ee) An identification of appropriations made by the Legislature to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

(ff) A compilation of the special programs available for pupils at individual schools, listed by school and by school district, including, without limitation, each charter school in the district.

2. A separate reporting for a ~~[-] subgroup~~ group of pupils must not be made pursuant to this section if the number of pupils in that ~~[-] subgroup~~ group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual pupil. The State Board shall prescribe a mechanism for determining the minimum number of pupils that must be in a ~~[-] subgroup~~ group for that ~~[-] subgroup~~ group to yield statistically reliable information.

3. The annual report of accountability must:

(a) Comply with 20 U.S.C. § 6311(h)(1) and the regulations adopted pursuant thereto;

(b) Be prepared in a concise manner; and

(c) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents can understand.

4. On or before September 1 of each year, the State Board shall:

(a) Provide for public dissemination of the annual report of accountability by posting a copy of the report on the Internet website maintained by the Department; and

(b) Provide written notice that the report is available on the Internet website maintained by the Department. The written notice must be provided to the:

- (1) Governor;
- (2) Committee;
- (3) Bureau;
- (4) Board of Regents of the University of Nevada;
- (5) Board of trustees of each school district; and
- (6) Governing body of each charter school.

5. Upon the request of the Governor, an entity described in paragraph (b) of subsection 4 or a member of the general public, the State Board shall provide a portion or portions of the annual report of accountability.

6. As used in this section:

(a) "Highly qualified" has the meaning ascribed to it in 20 U.S.C. § 7801(23).

(b) "Paraprofessional" has the meaning ascribed to it in NRS 391.008.

Sec. 2. NRS 385.34691 is hereby amended to read as follows:

385.34691 1. The State Board shall prepare a plan to improve the achievement of pupils enrolled in the public schools in this State. The plan:

(a) Must be prepared in consultation with:

- (1) Employees of the Department;
- (2) At least one employee of a school district in a county whose population is 100,000 or more, appointed by the Nevada Association of School Boards;
- (3) At least one employee of a school district in a county whose population is less than 100,000, appointed by the Nevada Association of School Boards; and
- (4) At least one representative of the Statewide Council for the Coordination of the Regional Training Programs created by NRS 391.516, appointed by the Council; and

(b) May be prepared in consultation with:

- (1) Representatives of institutions of higher education;
- (2) Representatives of regional educational laboratories;
- (3) Representatives of outside consultant groups;
- (4) Representatives of the regional training programs for the professional development of teachers and administrators created by NRS 391.512;
- (5) The Bureau; and
- (6) Other persons who the State Board determines are appropriate.

2. A plan to improve the achievement of pupils enrolled in public schools in this State must include:

(a) A review and analysis of the data upon which the report required pursuant to NRS 385.3469 is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors common among the school districts or charter schools in this State, as revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as set forth in NRS 389.018.

(d) Strategies to improve the academic achievement of pupils enrolled in public schools in this State, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

- (I) The curriculum appropriate to improve achievement;
- (II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS 389.015 and 389.550; and
- (III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361;

(2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;

(3) Integrate technology into the instructional and administrative programs of the school districts;

(4) Manage effectively the discipline of pupils; and

(5) Enhance the professional development offered for the teachers and administrators employed at public schools in this State to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of the pupils enrolled in public schools in this State, as deemed appropriate by the State Board.

(e) Strategies designed to provide to the pupils enrolled in middle school, junior high school and high school, the teachers and counselors who provide instruction to those pupils, and the parents and guardians of those pupils information concerning:

(1) The requirements for admission to an institution of higher education and the opportunities for financial aid;

(2) The availability of Governor Guinn Millennium Scholarships pursuant to NRS 396.911 to 396.938, inclusive; and

(3) The need for a pupil to make informed decisions about his curriculum in middle school, junior high school and high school in preparation for success after graduation.

(f) An identification, by category, of the employees of the Department who are responsible for ensuring that each provision of the plan is carried out effectively.

(g) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.

(h) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.

(i) Strategies to improve the allocation of resources from this State, by program and by school district, in a manner that will improve the academic achievement of pupils. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(j) Based upon the reallocation of resources set forth in paragraph (i), the resources available to the State Board and the Department to carry out the plan, including, without limitation, a budget for the overall cost of carrying out the plan.

(k) A summary of the effectiveness of appropriations made by the Legislature to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

3. The State Board shall:

(a) Review the plan prepared pursuant to this section annually to evaluate the effectiveness of the plan; and

(b) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that the plan is designed to improve the academic achievement of pupils enrolled in public schools in this State.

4. On or before December 15 of each year, the State Board shall submit the plan or the revised plan, as applicable, to the:

(a) Governor;

(b) Committee;

(c) Bureau;

(d) Board of Regents of the University of Nevada;

(e) Council to Establish Academic Standards for Public Schools created by NRS 389.510;

(f) Board of trustees of each school district; and

(g) Governing body of each charter school.

Sec. 3. NRS 385.34692 is hereby amended to read as follows:

385.34692 1. The State Board shall prepare a summary of the annual report of accountability prepared pursuant to NRS 385.3469 that includes, without limitation, a summary of the following information for each school district, each charter school and the State as a whole:

(a) Demographic information of pupils, including, without limitation, the number and percentage of pupils:

- (1) Who are economically disadvantaged, as defined by the State Board;
- (2) Who are from major racial or ethnic groups, as defined by the State Board;
- (3) With disabilities;
- (4) Who are limited English proficient; and
- (5) Who are migratory children, as defined by the State Board;

(b) The average daily attendance of pupils, reported separately for the ~~[subgroups]~~ groups identified in paragraph (a);

- (c) The transiency rate of pupils;
- (d) The percentage of pupils who are habitual truants;

(e) The percentage of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655;

(f) The number of incidents resulting in suspension or expulsion for:

- (1) Violence to other pupils or to school personnel;
- (2) Possession of a weapon;
- (3) Distribution of a controlled substance;
- (4) Possession or use of a controlled substance; and
- (5) Possession or use of alcohol;

(g) For kindergarten through grade 8, the number and percentage of pupils who are retained in the same grade;

(h) For grades 9 to 12, inclusive, the number and percentage of pupils who are deficient in the number of credits required for promotion to the next grade or graduation from high school;

(i) The pupil-teacher ratio for kindergarten and grades 1 to 8, inclusive;

(j) The average class size for the subject area of mathematics, English, science and social studies in schools where pupils rotate to different teachers for different subjects;

(k) The number and percentage of pupils who graduated from high school;

(l) The number and percentage of pupils who received a:

- (1) Standard diploma;
- (2) Adult diploma;
- (3) Adjusted diploma; and
- (4) Certificate of attendance;

(m) The number and percentage of pupils who graduated from high school and enrolled in remedial courses at the Nevada System of Higher Education;

(n) Per pupil expenditures;

(o) Information on the professional qualifications of teachers;

(p) The average daily attendance of teachers and licensure information;

(q) Information on the adequate yearly progress of the schools and school districts;

(r) Pupil achievement based upon the examinations administered pursuant to NRS 389.550 and the high school proficiency examination;

(s) To the extent practicable, pupil achievement based upon the examinations administered pursuant to NRS 389.015 for grades 4, 7 and 10; and

(t) Other information required by the Superintendent of Public Instruction in consultation with the Bureau.

2. The summary prepared pursuant to subsection 1 must:

(a) Comply with 20 U.S.C. § 6311(h)(1) and the regulations adopted pursuant thereto;

(b) Be prepared in a concise manner; and

(c) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents will likely understand.

3. On or before September 7 of each year, the State Board shall:

(a) Provide for public dissemination of the summary prepared pursuant to subsection 1 by posting the summary on the Internet website maintained by the Department; and

(b) Submit a copy of the summary in an electronic format to the:

- (1) Governor;
- (2) Committee;
- (3) Bureau;

- (4) Board of Regents of the University of Nevada;
- (5) Board of trustees of each school district; and
- (6) Governing body of each charter school.

4. The board of trustees of each school district and the governing body of each charter school shall ensure that the parents and guardians of pupils enrolled in the school district or charter school, as applicable, have sufficient information concerning the availability of the summary prepared by the State Board pursuant to subsection 1, including, without limitation, information that describes how to access the summary on the Internet website maintained by the Department. Upon the request of a parent or guardian of a pupil, the Department shall provide the parent or guardian with a written copy of the summary.

5. The Department shall, in consultation with the Bureau and the school districts, prescribe a form for the summary required by this section.

Sec. 4. NRS 385.347 is hereby amended to read as follows:

385.347 1. The board of trustees of each school district in this State, in cooperation with associations recognized by the State Board as representing licensed *educational* personnel ~~for~~ ~~in~~ ~~education~~ in the district, shall adopt a program providing for the accountability of the school district to the residents of the district and to the State Board for the quality of the schools and the educational achievement of the pupils in the district, including, without limitation, pupils enrolled in charter schools in the school district. The board of trustees of each school district shall ~~for~~

~~(a) Report~~ report the information required by subsection 2 for each charter school that is located within the school district, regardless of the sponsor of the charter school.

~~(b) For the information that is reported in an aggregated format, include the data that is applicable to~~ The information for charter schools must be reported separately and must denote the charter schools sponsored by the school district ~~but not the charter schools that are sponsored by the State Board.~~

~~(c) Denote separately in the report those charter schools that are located within the school district~~ and the charter schools sponsored by the State Board.

2. The board of trustees of each school district shall, on or before August 15 of each year, prepare an annual report of accountability concerning:

(a) The educational goals and objectives of the school district.

(b) Pupil achievement for each school in the district and the district as a whole, including, without limitation, each charter school in the district. The board of trustees of the district shall base its report on the results of the examinations administered pursuant to NRS 389.015 and 389.550 and shall compare the results of those examinations for the current school year with those of previous school years. The report must include, for each school in the district, including, without limitation, each charter school in the district, and each grade in which the examinations were administered:

(1) The number of pupils who took the examinations . ~~for~~

(2) A record of attendance for the period in which the examinations were administered, including an explanation of any difference in the number of pupils who took the examinations and the number of pupils who are enrolled in the school . ~~for~~

(3) Except as otherwise provided in this paragraph, pupil achievement, reported separately by gender and reported separately for the following ~~subgroups~~ groups of pupils:

(I) Pupils who are economically disadvantaged, as defined by the State Board;

(II) Pupils from major racial and ethnic groups, as defined by the State Board;

(III) Pupils with disabilities;

(IV) Pupils who are limited English proficient; and

(V) Pupils who are migratory children, as defined by the State Board . ~~for~~

(4) A comparison of the achievement of pupils in each ~~subgroup~~ group identified in paragraph (b) of subsection 1 of NRS 385.361 with the annual measurable objectives of the State Board . ~~for~~

(5) The percentage of pupils who were not tested . ~~for~~

(6) Except as otherwise provided in this paragraph, the percentage of pupils who were not tested, reported separately by gender and reported separately for the ~~subgroups~~ groups identified in subparagraph (3) . ~~for~~

(7) The most recent 3-year trend in pupil achievement in each subject area tested and each grade level tested pursuant to NRS 389.015 and 389.550, which may include information regarding the trend in the achievement of pupils for more than 3 years, if such information is available. ~~{ }~~

(8) Information that compares the results of pupils in the school district, including, without limitation, pupils enrolled in charter schools in the district, with the results of pupils throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison. ~~{, and }~~

(9) For each school in the district, including, without limitation, each charter school in the district, information that compares the results of pupils in the school with the results of pupils throughout the school district and throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

✶ A separate reporting for a ~~{subgroup}~~ group of pupils must not be made pursuant to this paragraph if the number of pupils in that ~~{subgroup}~~ group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual pupil. The State Board shall prescribe the mechanism for determining the minimum number of pupils that must be in a ~~{subgroup}~~ group for that ~~{subgroup}~~ group to yield statistically reliable information.

(c) The ratio of pupils to teachers in kindergarten and at each grade level for each elementary school in the district and the district as a whole, including, without limitation, each charter school in the district, and the average class size for each core academic subject, as set forth in NRS 389.018, for each secondary school in the district and the district as a whole, including, without limitation, each charter school in the district.

(d) Information on the professional qualifications of teachers employed by each school in the district and the district as a whole, including, without limitation, each charter school in the district. The information must include, without limitation:

(1) The percentage of teachers who are:

(I) Providing instruction pursuant to NRS 391.125;

(II) Providing instruction pursuant to a waiver of the requirements for licensure for the grade level or subject area in which the teachers are employed; or

(III) Otherwise providing instruction without an endorsement for the subject area in which the teachers are employed;

(2) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, that are not taught by highly qualified teachers;

(3) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, that are not taught by highly qualified teachers, in the aggregate and disaggregated by high-poverty compared to low-poverty schools, which for the purposes of this subparagraph means schools in the top quartile of poverty and the bottom quartile of poverty in this State;

(4) For each middle school, junior high school and high school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level and subject area; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level and subject area; and

(5) For each elementary school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total

number of days short-term substitute teachers were employed at each school, identified by grade level.

(e) The total expenditure per pupil for each school in the district and the district as a whole, including, without limitation, each charter school in the district. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school district shall use that statewide program in complying with this paragraph. If a statewide program is not available, each school district shall use its own financial analysis program in complying with this paragraph.

(f) The curriculum used by the school district, including:

- (1) Any special programs for pupils at an individual school; and
- (2) The curriculum used by each charter school in the district.

(g) Records of the attendance and truancy of pupils in all grades, including, without limitation:

(1) The average daily attendance of pupils, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(2) For each elementary school, middle school and junior high school in the district, including, without limitation, each charter school in the district that provides instruction to pupils enrolled in a grade level other than high school, information that compares the attendance of the pupils enrolled in the school with the attendance of pupils throughout the district and throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

(h) The annual rate of pupils who drop out of school in *grade 8 and a separate reporting of the annual rate of pupils who drop out of school in grades 9 to 12, inclusive*, for each such grade, for each school in the district and for the district as a whole. ~~[excluding] The reporting for pupils in grades 9 to 12, inclusive, excludes~~ pupils who:

(1) Provide proof to the school district of successful completion of the examinations of general educational development.

(2) Are enrolled in courses that are approved by the Department as meeting the requirements for an adult standard diploma.

(3) Withdraw from school to attend another school.

(i) Records of attendance of teachers who provide instruction, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(j) Efforts made by the school district and by each school in the district, including, without limitation, each charter school in the district, to increase:

(1) Communication with the parents of pupils in the district; and

(2) The participation of parents in the educational process and activities relating to the school district and each school, including, without limitation, the existence of parent organizations and school advisory committees.

(k) Records of incidents involving weapons or violence for each school in the district, including, without limitation, each charter school in the district.

(l) Records of incidents involving the use or possession of alcoholic beverages or controlled substances for each school in the district, including, without limitation, each charter school in the district.

(m) Records of the suspension and expulsion of pupils required or authorized pursuant to NRS 392.466 and 392.467.

(n) The number of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(o) The number of pupils in each grade who are retained in the same grade pursuant to NRS 392.033 or 392.125, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(p) The transiency rate of pupils for each school in the district and the district as a whole, including, without limitation, each charter school in the district. For the purposes of this paragraph, a pupil is not transient if he is transferred to a different school within the school district as a result of a change in the zone of attendance by the board of trustees of the school district pursuant to NRS 388.040.

(q) Each source of funding for the school district.

(r) A compilation of the programs of remedial study that are purchased in whole or in part with money received from this State, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district. The compilation must include:

(1) The amount and sources of money received for programs of remedial study for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(2) An identification of each program of remedial study, listed by subject area.

(s) For each high school in the district, including, without limitation, each charter school in the district, the percentage of pupils who graduated from that high school or charter school in the immediately preceding year and enrolled in remedial courses in reading, writing or mathematics at a university, state college or community college within the Nevada System of Higher Education.

(t) The technological facilities and equipment available at each school, including, without limitation, each charter school, and the district's plan to incorporate educational technology at each school.

(u) For each school in the district and the district as a whole, including, without limitation, each charter school in the district, the number and percentage of pupils who received:

(1) A standard high school diploma ~~(1)~~, reported separately for pupils who received the diploma pursuant to:

(I) Paragraph (a) of subsection 1 of section 4 of Senate Bill No. 312 of this session; and

(II) Paragraph (b) of subsection 1 of section 4 of Senate Bill No. 312 of this session.

(2) An adjusted diploma.

(3) A certificate of attendance.

(v) For each school in the district and the district as a whole, including, without limitation, each charter school in the district, the number and percentage of pupils who ~~did not receive a high school diploma because the pupils~~ failed to pass the high school proficiency examination.

(w) The number of habitual truants who are reported to a school police officer or law enforcement agency pursuant to paragraph (a) of subsection 2 of NRS 392.144 and the number of habitual truants who are referred to an advisory board to review school attendance pursuant to paragraph (b) of subsection 2 of NRS 392.144, for each school in the district and for the district as a whole.

(x) The amount and sources of money received for the training and professional development of teachers and other educational personnel for each school in the district and for the district as a whole, including, without limitation, each charter school in the district.

(y) Whether the school district has made adequate yearly progress. If the school district has been designated as demonstrating need for improvement pursuant to NRS 385.377, the report must include a statement indicating the number of consecutive years the school district has carried that designation.

(z) Information on whether each public school in the district, including, without limitation, each charter school in the district, has made adequate yearly progress, including, without limitation:

(1) The number and percentage of schools in the district, if any, that have been designated as needing improvement pursuant to NRS 385.3623; and

(2) The name of each school, if any, in the district that has been designated as needing improvement pursuant to NRS 385.3623 and the number of consecutive years that the school has carried that designation.

(aa) Information on the paraprofessionals employed by each public school in the district, including, without limitation, each charter school the district. The information must include:

(1) The number of paraprofessionals employed at the school; and

(2) The number and percentage of all paraprofessionals who do not satisfy the qualifications set forth in 20 U.S.C. § 6319(c). The reporting requirements of this subparagraph apply to paraprofessionals who are employed in positions supported with Title I money and to paraprofessionals who are not employed in positions supported with Title I money.

(bb) For each high school in the district, including, without limitation, each charter school that operates as a high school, information that provides a comparison of the rate of graduation of pupils enrolled in the high school with the rate of graduation of pupils throughout the district and throughout this State. The information required by this paragraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

(cc) An identification of the appropriations made by the Legislature that are available to the school district or the schools within the district and programs approved by the Legislature to improve the academic achievement of pupils.

(dd) Such other information as is directed by the Superintendent of Public Instruction.

3. The records of attendance maintained by a school for purposes of paragraph (i) of subsection 2 must include the number of teachers who are in attendance at school and the number of teachers who are absent from school. A teacher shall be deemed in attendance if the teacher is excused from being present in the classroom by the school in which he is employed for one of the following reasons:

(a) Acquisition of knowledge or skills relating to the professional development of the teacher; or

(b) Assignment of the teacher to perform duties for cocurricular or extracurricular activities of pupils.

4. The annual report of accountability prepared pursuant to subsection 2 must:

(a) Comply with 20 U.S.C. § 6311(h)(2) and the regulations adopted pursuant thereto; and

(b) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents can understand.

5. The Superintendent of Public Instruction shall:

(a) Prescribe forms for the reports required pursuant to subsection 2 and provide the forms to the respective school districts.

(b) Provide statistical information and technical assistance to the school districts to ensure that the reports provide comparable information with respect to each school in each district and among the districts throughout this State.

(c) Consult with a representative of the:

(1) Nevada State Education Association;

(2) Nevada Association of School Boards;

(3) Nevada Association of School Administrators;

(4) Nevada Parent Teacher Association;

(5) Budget Division of the Department of Administration; and

(6) Legislative Counsel Bureau,

↪ concerning the program and consider any advice or recommendations submitted by the representatives with respect to the program.

6. The Superintendent of Public Instruction may consult with representatives of parent groups other than the Nevada Parent Teacher Association concerning the program and consider any advice or recommendations submitted by the representatives with respect to the program.

7. On or before August 15 of each year, the board of trustees of each school district shall submit to each advisory board to review school attendance created in the county pursuant to NRS 392.126 the information required in paragraph (g) of subsection 2.

8. On or before August 15 of each year, the board of trustees of each school district shall:

(a) Provide written notice that the report required pursuant to subsection 2 is available on the Internet website maintained by the school district, if any, or otherwise provide written notice of the availability of the report. The written notice must be provided to the:

(1) Governor;

(2) State Board;

(3) Department;

(4) Committee; and

(5) Bureau.

(b) Provide for public dissemination of the annual report of accountability prepared pursuant to subsection 2 in the manner set forth in 20 U.S.C. § 6311(h)(2)(E) by posting a copy of the report on the Internet website maintained by the school district, if any. If a school district does not maintain a website, the district shall otherwise provide for public dissemination of the annual

report by providing a copy of the report to the schools in the school district, including, without limitation, each charter school in the district, the residents of the district, and the parents and guardians of pupils enrolled in schools in the district, including, without limitation, each charter school in the district.

9. Upon the request of the Governor, an entity described in paragraph (a) of subsection 8 or a member of the general public, the board of trustees of a school district shall provide a portion or portions of the report required pursuant to subsection 2.

10. As used in this section:

(a) "Highly qualified" has the meaning ascribed to it in 20 U.S.C. § 7801(23).

(b) "Paraprofessional" has the meaning ascribed to it in NRS 391.008.

Sec. 5. NRS 385.348 is hereby amended to read as follows:

385.348 1. The board of trustees of each school district shall, in consultation with the employees of the school district, prepare a plan to improve the achievement of pupils enrolled in the school district, excluding pupils who are enrolled in charter schools located in the school district. If the school district is a Title I school district designated as demonstrating need for improvement pursuant to NRS 385.377, the plan must also be prepared in consultation with parents and guardians of pupils enrolled in the school district and other persons who the board of trustees determines are appropriate.

2. Except as otherwise provided in this subsection, the plan must include the items set forth in 20 U.S.C. § 6316(c)(7) and the regulations adopted pursuant thereto. If a school district has not been designated as demonstrating need for improvement pursuant to NRS 385.377, the board of trustees of the school district is not required to include those items set forth in 20 U.S.C. § 6316(c)(7) and the regulations adopted pursuant thereto that directly relate to the status of a school district as needing improvement.

3. In addition to the requirements of subsection 2, a plan to improve the achievement of pupils enrolled in a school district must include:

(a) A review and analysis of the data upon which the report required pursuant to subsection 2 of NRS 385.347 is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors at individual schools that are revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as set forth in NRS 389.018.

(d) Strategies to improve the academic achievement of pupils enrolled in the school district, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

(I) The curriculum appropriate to improve achievement;

(II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS 389.015 and 389.550; and

(III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361;

(2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;

(3) Integrate technology into the instructional and administrative programs of the school district;

(4) Manage effectively the discipline of pupils; and

(5) Enhance the professional development offered for the teachers and administrators employed by the school district to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of the pupils enrolled in the school district, as deemed appropriate by the board of trustees of the school district.

(e) An identification, by category, of the employees of the school district who are responsible for ensuring that each provision of the plan is carried out effectively.

(f) In consultation with the Department, an identification, by category, of the employees of the Department, if any, who are responsible for overseeing and monitoring whether the plan is carried out effectively.

(g) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.

(h) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.

(i) Strategies to improve the allocation of resources from the school district, by program and by school, in a manner that will improve the academic achievement of pupils. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school district shall use that statewide program in complying with this paragraph. If a statewide program is not available, each school district shall use its own financial analysis program in complying with this paragraph.

(j) Based upon the reallocation of resources set forth in paragraph (i), the resources available to the school district to carry out the plan, including, without limitation, a budget of the overall cost for carrying out the plan.

(k) A summary of the effectiveness of appropriations made by the Legislature that are available to the school district or the schools within the school district to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

(l) An identification of the programs, practices and strategies that are used throughout the school district and by the schools within the school district that have proven successful in improving the achievement and proficiency of pupils, including, without limitation:

(1) An identification of each school that carries out such a program, practice or strategy;

(2) An indication of which programs, practices and strategies are carried out throughout the school district and which programs, practices and strategies are carried out by individual schools;

(3) The extent to which the programs, practices and strategies include methods to improve the achievement and proficiency of pupils in each ~~subgroup~~ group identified in paragraph (b) of subsection 1 of NRS 385.361; and

(4) A description of how the school district disseminates information concerning the successful programs, practices and strategies to all schools within the school district.

4. The board of trustees of each school district shall:

(a) Review the plan prepared pursuant to this section annually to evaluate the effectiveness of the plan; and

(b) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that the plan is designed to improve the academic achievement of pupils enrolled in the school district.

5. On or before December 15 of each year, the board of trustees of each school district shall submit the plan or the revised plan, as applicable, to the:

(a) Superintendent of Public Instruction;

(b) Governor;

(c) State Board;

(d) Department;

(e) Committee; and

(f) Bureau.

Sec. 6. NRS 385.349 is hereby amended to read as follows:

385.349 1. The board of trustees of each school district shall prepare a summary of the annual report of accountability prepared pursuant to NRS 385.347 on the form prescribed by the Department pursuant to subsection 3 or an expanded form, as applicable. The summary must include, without limitation:

(a) The information set forth in subsection 1 of NRS 385.34692, reported for the school district as a whole and for each school within the school district;

(b) Information on the involvement of parents and legal guardians in the education of their children; and

(c) Other information required by the Superintendent of Public Instruction in consultation with the Bureau.

2. The summary prepared pursuant to subsection 1 must:

(a) Comply with 20 U.S.C. § 6311(h)(2) and the regulations adopted pursuant thereto; and
 (b) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents will likely understand.

3. The Department shall, in consultation with the Bureau and the school districts, prescribe a form that contains the basic information required by subsection 1. The board of trustees of a school district may use an expanded form that contains additions to the form prescribed by the Department if the basic information contained in the expanded form complies with the form prescribed by the Department.

4. On or before September 7 of each year, the board of trustees of each school district shall:

(a) Submit the summary in an electronic format to the:

- (1) Governor;
- (2) State Board;
- (3) Department;
- (4) Committee;
- (5) Bureau; and
- (6) Schools within the school district.

(b) Provide for the public dissemination of the summary by posting a copy of the summary on the Internet website maintained by the school district, if any. If a school district does not maintain a website, the district shall otherwise provide for public dissemination of the summary. The board of trustees of each school district shall ensure that the parents and guardians of pupils enrolled in the school district have sufficient information concerning the availability of the summary, including, without limitation, information that describes how to access the summary on the Internet website maintained by the school district, if any. Upon the request of a parent or legal guardian, the school district shall provide the parent or legal guardian with a written copy of the summary.

5. The board of trustees of each school district shall ~~for~~:

~~(a) Report~~ report the information required by this section for each charter school that is located within the school district, regardless of the sponsor of the charter school.

~~(b) For the information that is reported in an aggregated format, include the data that is applicable to~~ The information for charter schools must be reported separately and must denote the charter schools sponsored by the school district ~~but not the charter schools that are sponsored by the State Board.~~

~~(c) Denote separately in the report those charter schools that are located within the school district~~ and the charter schools sponsored by the State Board.

Sec. 7. NRS 385.357 is hereby amended to read as follows:

385.357 1. The principal of each school, including, without limitation, each charter school, shall, in consultation with the employees of the school, prepare a plan to improve the achievement of the pupils enrolled in the school.

2. The plan developed pursuant to subsection 1 must include:

(a) A review and analysis of the data pertaining to the school upon which the report required pursuant to subsection 2 of NRS 385.347 is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors at the school that are revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as defined in NRS 389.018.

(d) Policies and practices concerning the core academic subjects which have the greatest likelihood of ensuring that each ~~subgroup~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school will make adequate yearly progress and meet the minimum level of proficiency prescribed by the State Board.

(e) Annual measurable objectives, consistent with the annual measurable objectives established by the State Board pursuant to NRS 385.361, for the continuous and substantial progress by each ~~subgroup~~ group of pupils identified in paragraph (b) of subsection 1 of that

section who are enrolled in the school to ensure that each ~~[subgroup]~~ group will make adequate yearly progress and meet the level of proficiency prescribed by the State Board.

(f) Strategies, consistent with the policy adopted pursuant to NRS 392.457 by the board of trustees of the school district in which the school is located, to promote effective involvement by parents and families of pupils enrolled in the school in the education of their children.

(g) As appropriate, programs of remedial education or tutoring to be offered before and after school, during the summer, or between sessions if the school operates on a year-round calendar for pupils enrolled in the school who need additional instructional time to pass or to reach a level considered proficient.

(h) Strategies to improve the academic achievement of pupils enrolled in the school, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

(I) The curriculum appropriate to improve achievement;

(II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS 389.015 and 389.550; and

(III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each ~~[subgroup]~~ group identified in paragraph (b) of subsection 1 of NRS 385.361;

(2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;

(3) Integrate technology into the instructional and administrative programs of the school;

(4) Manage effectively the discipline of pupils; and

(5) Enhance the professional development offered for the teachers and administrators employed at the school to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of pupils enrolled in the school, as deemed appropriate by the principal.

(i) An identification, by category, of the employees of the school who are responsible for ensuring that the plan is carried out effectively.

(j) In consultation with the school district or governing body, as applicable, an identification, by category, of the employees of the school district or governing body, if any, who are responsible for ensuring that the plan is carried out effectively or for overseeing and monitoring whether the plan is carried out effectively.

(k) In consultation with the Department, an identification, by category, of the employees of the Department, if any, who are responsible for overseeing and monitoring whether the plan is carried out effectively.

(l) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.

(m) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.

(n) The resources available to the school to carry out the plan. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school shall use that statewide program in complying with this paragraph. If a statewide program is not available, each school shall use the financial analysis program used by the school district in which the school is located in complying with this paragraph.

(o) A summary of the effectiveness of appropriations made by the Legislature that are available to the school to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

(p) A budget of the overall cost for carrying out the plan.

3. In addition to the requirements of subsection 2, if a school has been designated as demonstrating need for improvement pursuant to NRS 385.3623, the plan must comply with 20 U.S.C. § 6316(b)(3) and the regulations adopted pursuant thereto.

4. Except as otherwise provided in subsection 5, the principal of each school shall, in consultation with the employees of the school:

(a) Review the plan prepared pursuant to this section annually to evaluate the effectiveness of the plan; and

(b) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that the plan is designed to improve the academic achievement of pupils enrolled in the school.

5. If a school has been designated as demonstrating need for improvement pursuant to NRS 385.3623 ~~[the technical assistance partnership or the]~~ and a support team has been established for the school, ~~[as applicable,]~~ the support team shall review the plan and make revisions to the most recent plan for improvement of the school pursuant to NRS ~~[385.3692 or 385.3741, as applicable,]~~ 385.3741. If the school is a Title I school that has been designated as demonstrating need for improvement, the ~~[technical assistance partnership or]~~ support team established for the school ~~[as applicable,]~~ shall, in making revisions to the plan, work in consultation with parents and guardians of pupils enrolled in the school and, to the extent deemed appropriate by the entity responsible for creating the ~~[partnership or]~~ support team, outside experts.

6. On or before November 1 of each year, the principal of each school ~~[or the technical assistance partnership]~~ or the support team established for the school, as applicable, shall submit the plan or the revised plan, as applicable, to:

(a) If the school is a public school of the school district, the superintendent of schools of the school district.

(b) If the school is a charter school, the governing body of the charter school.

7. If a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623, the superintendent of schools of the school district or the governing body, as applicable, shall carry out a process for peer review of the plan or the revised plan, as applicable, in accordance with 20 U.S.C. § 6316(b)(3)(E) and the regulations adopted pursuant thereto. Not later than 45 days after receipt of the plan, the superintendent of schools of the school district or the governing body, as applicable, shall approve the plan or the revised plan, as applicable, if it meets the requirements of 20 U.S.C. § 6316(b)(3) and the regulations adopted pursuant thereto and the requirements of this section. The superintendent of schools of the school district or the governing body, as applicable, may condition approval of the plan or the revised plan, as applicable, in the manner set forth in 20 U.S.C. § 6316(b)(3)(B) and the regulations adopted pursuant thereto. The State Board shall prescribe the requirements for the process of peer review, including, without limitation, the qualifications of persons who may serve as peer reviewers.

8. If a school is designated as demonstrating exemplary achievement, high achievement or adequate achievement, or if a school that is not a Title I school is designated as demonstrating need for improvement, not later than 45 days after receipt of the plan or the revised plan, as applicable, the superintendent of schools of the school district or the governing body, as applicable, shall approve the plan or the revised plan if it meets the requirements of this section.

9. On or before December 15 of each year, the principal of each school ~~[or the technical assistance partnership]~~ or the support team established for the school, as applicable, shall submit the final plan or the final revised plan, as applicable, to the:

(a) Superintendent of Public Instruction;

(b) Governor;

(c) State Board;

(d) Department;

(e) Committee;

(f) Bureau; and

(g) Board of trustees of the school district in which the school is located.

10. A plan for the improvement of a school must be carried out expeditiously, but not later than January 1 after approval of the plan pursuant to subsection 7 or 8, as applicable.

Sec. 8. NRS 385.3613 is hereby amended to read as follows:

385.3613 1. Except as otherwise provided in subsection 2, on or before June 15 of each year, the Department shall determine whether each public school is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361.

2. On or before June 30 of each year, the Department shall determine whether each public school that operates on a schedule other than a traditional 9-month schedule is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361.

3. The determination pursuant to subsection 1 or 2, as applicable, for a public school, including, without limitation, a charter school sponsored by the board of trustees of the school

district, must be made in consultation with the board of trustees of the school district in which the public school is located. If a charter school is sponsored by the State Board, the Department shall make a determination for the charter school in consultation with the State Board. The determination made for each school must be based only upon the information and data for those pupils who are enrolled in the school for a full academic year. On or before June 15 or June 30 of each year, as applicable, the Department shall transmit:

(a) Except as otherwise provided in paragraph (b), the determination made for each public school to the board of trustees of the school district in which the public school is located.

(b) To the State Board the determination made for each charter school that is sponsored by the State Board.

4. Except as otherwise provided in this subsection, the Department shall determine that a public school has failed to make adequate yearly progress if any ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361 does not satisfy the annual measurable objectives established by the State Board pursuant to that section. To comply with 20 U.S.C. § 6311(b)(2)(I) and the regulations adopted pursuant thereto, the State Board shall prescribe by regulation the conditions under which a school shall be deemed to have made adequate yearly progress even though a ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361 did not satisfy the annual measurable objectives of the State Board.

5. In addition to the provisions of subsection 4, the Department shall determine that a public school has failed to make adequate yearly progress if:

(a) The number of pupils enrolled in the school who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils enrolled in the school who were required to take the examinations; or

(b) Except as otherwise provided in subsection 6, for each ~~{subgroup}~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361, the number of pupils in the ~~{subgroup}~~ group enrolled in the school who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils in that ~~{subgroup}~~ group enrolled in the school who were required to take the examinations.

6. If the number of pupils in a particular ~~{subgroup}~~ group who are enrolled in a public school is insufficient to yield statistically reliable information:

(a) The Department shall not determine that the school has failed to make adequate yearly progress pursuant to paragraph (b) of subsection 5 based solely upon that particular ~~{subgroup}~~ group.

(b) The pupils in such a ~~{subgroup}~~ group must be included in the overall count of pupils enrolled in the school who took the examinations.

➤ The State Board shall prescribe the mechanism for determining the number of pupils that must be in a ~~{subgroup}~~ group for that ~~{subgroup}~~ group to yield statistically reliable information.

7. If an irregularity in testing administration or an irregularity in testing security occurs at a school and the irregularity invalidates the test scores of pupils, those test scores must be included in the scores of pupils reported for the school, the attendance of those pupils must be counted towards the total number of pupils who took the examinations and the pupils must be included in the total number of pupils who were required to take the examinations.

8. As used in this section:

(a) "Irregularity in testing administration" has the meaning ascribed to it in NRS 389.604.

(b) "Irregularity in testing security" has the meaning ascribed to it in NRS 389.608.

Sec. 9. NRS 385.3661 is hereby amended to read as follows:

385.3661 1. ~~{If a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply, the technical assistance partnership established for the school pursuant to this section shall carry out the requirements of NRS 385.3692.}~~

2. Except as otherwise provided in subsection ~~{3-}~~ 2, if a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply, the board of trustees of the school district shall:

(a) Provide notice of the designation to the parents and guardians of pupils enrolled in the school on the form prescribed by the Department pursuant to NRS 385.382; *and*

(b) Ensure that the school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto. ~~[- and~~

~~(c) Establish a technical assistance partnership for the school, with the membership prescribed pursuant to NRS 385.3691.~~

~~3- 2.~~ If a charter school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply:

(a) The governing body of the charter school shall ~~[-~~

~~(1) Provide]~~ provide notice of the designation to the parents and guardians of pupils enrolled in the charter school on the form prescribed by the Department pursuant to NRS 385.382. ~~[- and~~

~~(2) Establish a technical assistance partnership for the charter school, with the membership prescribed pursuant to NRS 385.3691.]~~

(b) For a charter school sponsored by the board of trustees of a school district, the board of trustees shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto. ~~[The provisions of this paragraph do not require the school district to pay for the technical assistance partnership established by the governing body of the charter school.]~~

(c) For a charter school sponsored by the State Board, the Department shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto.

~~[4-]~~ 3. In addition to the requirements of subsection ~~[2 or 3-]~~ 1 or 2, as applicable, if a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply:

(a) Except as otherwise provided in paragraph (b), the board of trustees of the school district shall provide school choice to the parents and guardians of pupils enrolled in the school, including, without limitation, a charter school sponsored by the school district, in accordance with 20 U.S.C. § 6316(b)(1) and the regulations adopted pursuant thereto.

(b) For a charter school sponsored by the State Board, the Department shall work cooperatively with the board of trustees of the school district in which the charter school is located to provide school choice to the parents and guardians of pupils enrolled in the charter school in accordance with 20 U.S.C. § 6316(b)(1) and the regulations adopted pursuant thereto.

Sec. 10. NRS 385.3693 is hereby amended to read as follows:

385.3693 1. ~~[If a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 2 consecutive years, the technical assistance partnership established for the school pursuant to NRS 385.3661 shall carry out the requirements of NRS 385.3692.~~

~~2-]~~ Except as otherwise provided in subsection ~~[3-]~~ 2, if a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 2 consecutive years, the board of trustees of the school district shall:

(a) Provide notice of the designation to the parents and guardians of pupils enrolled in the school on the form prescribed by the Department pursuant to NRS 385.382; *and*

(b) Ensure that the school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto. ~~[- and~~

~~(c) Continue the technical assistance partnership for the school.~~

~~3- 2.~~ If a charter school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 2 consecutive years:

(a) The governing body of the charter school shall ~~[-~~

~~(1) Provide]~~ provide notice of the designation to the parents and guardians of pupils enrolled in the school on the form prescribed by the Department pursuant to NRS 385.382. ~~[- and~~

~~(2) Continue the technical assistance partnership for the school.]~~

(b) For a charter school sponsored by the board of trustees of a school district, the board of trustees shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto. ~~[The provisions of this paragraph do not require the school district to pay for the technical assistance partnership established by the governing body of the charter school.]~~

(c) For a charter school sponsored by the State Board, the Department shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto.

Sec. 11. NRS 385.374 is hereby amended to read as follows:

385.374 1. The membership of each support team established pursuant to NRS 385.3721 ~~is~~

~~1. Must~~ must consist of, without limitation:

(a) Teachers and principals who are considered highly qualified and who are not employees of the public school for which the support team is established;

(b) ~~[At least one representative of the Department.]~~ *One member appointed in accordance with subsection 3, who must serve as the ~~[facilitator]~~ team leader of the support team;*

(c) Except for a charter school, at least one administrator at the district level who is employed by the board of trustees of the school district;

(d) At least one parent or guardian of a pupil who is enrolled in the public school for which the support team is established; and

(e) In addition to the requirements of paragraphs (a) to (d), inclusive, for a charter school:

(1) At least one member of the governing body of the charter school, regardless of the sponsor of the charter school; and

(2) If the charter school is sponsored by the board of trustees of a school district, at least one employee of the school district, which may include an administrator.

2. ~~[May]~~ *The membership of each support team established pursuant to NRS 385.3721 may consist of, without limitation:*

(a) Except for a charter school, one or more members of the board of trustees of the school district in which the school is located;

(b) Representatives of institutions of higher education;

(c) Representatives of regional educational laboratories;

(d) Representatives of outside consultant groups;

(e) Representatives of the regional training program for the professional development of teachers and administrators created by NRS 391.512 that provides services to the school district in which the school is located;

(f) The Bureau; and

(g) Other persons who the Department determines are appropriate.

3. *The member appointed pursuant to paragraph (b) of subsection 1 must:*

(a) *Be employed by the Department; or*

(b) *If he is not employed by the Department, have the training and experience required by the Department.*

Sec. 12. NRS 385.3741 is hereby amended to read as follows:

385.3741 1. Each support team established for a public school pursuant to NRS 385.3721 shall:

(a) Review and analyze the operation of the school, including, without limitation, the design and operation of the instructional program of the school.

(b) Review and analyze the data pertaining to the school upon which the report required pursuant to subsection 2 of NRS 385.347 is based and review and analyze any data that is more recent than the data upon which the report is based.

(c) Review the most recent plan to improve the achievement of the school's pupils.

(d) Identify and investigate the problems and factors at the school that contributed to the designation of the school as demonstrating need for improvement.

(e) Assist the school in developing recommendations for improving the performance of pupils who are enrolled in the school.

(f) Except as otherwise provided in this paragraph, make recommendations to the board of trustees of the school district, the State Board and the Department concerning additional assistance for the school in carrying out the plan for improvement of the school. For a charter school sponsored by the State Board, the support team shall make the recommendations to the State Board and the Department.

(g) In accordance with its findings pursuant to this section and NRS 385.3742, submit, on or before November 1, written revisions to the most recent plan to improve the achievement of the school's pupils for approval pursuant to NRS 385.357. The written revisions must:

- (1) Comply with NRS 385.357;
- (2) If the school is a Title I school, be developed in consultation with parents and guardians of pupils enrolled in the school and, to the extent deemed appropriate by the entity that created the support team, outside experts;
- (3) Include the data and findings of the support team that provide support for the revisions;
- (4) Set forth goals, objectives, tasks and measures for the school that are:
 - (I) Designed to improve the achievement of the school's pupils;
 - (II) Specific;
 - (III) Measurable; and
 - (IV) Conducive to reliable evaluation;
- (5) Set forth a timeline to carry out the revisions;
- (6) Set forth priorities for the school in carrying out the revisions; and
- (7) Set forth the names and duties of each person who is responsible for carrying out the revisions.

(h) Except as otherwise provided in this paragraph, work cooperatively with the board of trustees of the school district in which the school is located, the employees of the school, and the parents and guardians of pupils enrolled in the school to carry out and monitor the plan for improvement of the school. If a charter school is sponsored by the State Board, the Department shall assist the school with carrying out and monitoring the plan for improvement of the school.

(i) Prepare a ~~monthly~~ quarterly progress report in the format prescribed by the Department and:

- (1) Submit the progress report to the Department.
- (2) Distribute copies of the progress report to each employee of the school for review.

(j) In addition to the requirements of this section, if the support team is established for a Title I school, carry out the requirements of 20 U.S.C. § 6317(a)(5).

2. A school support team may require the school for which the support team was established to submit plans, strategies, tasks and measures that, in the determination of the support team, will assist the school in improving the achievement and proficiency of pupils enrolled in the school.

3. The Department shall prescribe a concise ~~monthly~~ quarterly progress report for use by each support team in accordance with paragraph (i) of subsection 1.

Sec. 13. NRS 385.3744 is hereby amended to read as follows:

385.3744 1. Except as otherwise provided in subsection ~~{2,}~~ 3, if a public school that is not a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 3 consecutive years for failing to make adequate yearly progress, the support team established for the school shall consider whether corrective action is appropriate for the school. If the support team determines that corrective action is appropriate, the support team shall make a recommendation ~~(to the Department)~~ for corrective action for the school, including, without limitation, the type of corrective action that is recommended from the list of corrective actions authorized pursuant to ~~{paragraphs (a), (b) and (c)}~~ subsection 2. The recommendation must be submitted to:

(a) For a school of the school district or a charter school sponsored by the board of trustees of the school district, the board of trustees.

(b) For a charter school sponsored by the State Board, the Department.

2. Regardless of whether a support team recommends corrective action for a school, the Department may, for a charter school sponsored by the State Board, and the board of trustees of a school district may, for a school of the school district or a charter school sponsored by the board of trustees, take one or more of the following corrective actions for the school:

(a) Develop and carry out a new curriculum at the school, including the provision of appropriate professional development relating to the new curriculum.

(b) ~~{Decrease the number}~~ *Significantly decrease the managerial authority of the employees at the school . {who carry out managerial duties.}*

(c) Extend the school year or the school day.

~~{2-}~~ 3. The Department *or the board of trustees of a school district, as applicable*, shall grant a delay from the imposition of corrective action for a school for a period not to exceed 1 year if the school qualifies for a delay in the manner set forth in 20 U.S.C. § 6316(b)(7)(D). If the school fails to make adequate yearly progress during the period of the delay, the Department *or the board of trustees, as applicable*, may proceed with corrective action as if the delay never occurred.

Sec. 14. NRS 385.376 is hereby amended to read as follows:

385.376 1. Except as otherwise provided in subsection 2, if a public school that is not a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 4 or more consecutive years for failure to make adequate yearly progress, the support team for the school shall:

(a) If corrective action was not taken against the school pursuant to NRS 385.3744, consider whether corrective action is appropriate for the school.

(b) If corrective action was taken against the school pursuant to NRS 385.3744, consider whether further corrective action is appropriate or whether consequences or sanctions, or both, are appropriate for the school.

~~{-}~~

2. Regardless of whether a support team recommends corrective action or consequences or sanctions for a school, the Department *may, for a charter school sponsored by the State Board, and the board of trustees of a school district may , for a school of the school district or a charter school sponsored by the board of trustees*, take corrective action as set forth in NRS 385.3744 or proceed with consequences or sanctions, or both, as prescribed by the State Board pursuant to NRS 385.361.

~~{2-}~~ 3. The Department *or the board of trustees of a school district, as applicable*, shall grant a delay from the imposition of corrective action or restructuring pursuant to this section for a school for a period not to exceed 1 year if the school qualifies for a delay in the manner set forth in 20 U.S.C. § 6316(b)(7)(D). If the school fails to make adequate yearly progress during the period of the delay, the Department *or the board of trustees, as applicable*, may proceed with corrective action or with consequences or sanctions, or both, for the school, as appropriate, as if the delay never occurred.

~~{3-}~~ 4. Before the *board of trustees or the Department* proceeds with consequences or sanctions, the board of trustees or the Department, as applicable, shall provide to the administrators, teachers and other educational personnel employed at that school, and parents and guardians of pupils enrolled in the school:

(a) Notice that the board of trustees or the Department, as applicable, will proceed with consequences or sanctions for the school;

(b) An opportunity to comment before the consequences or sanctions are carried out; and

(c) An opportunity to participate in the development of the consequences or sanctions.

Sec. 15. NRS 385.3762 is hereby amended to read as follows:

385.3762 1. On or before July 1 of each year, the Department shall determine whether each school district is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361. The pupils who are enrolled in a charter school, if any, located within a school district must not be included in the determination made for that school district. The determination made for each school district must be based only upon the information and data for those pupils who were enrolled in the school district for a full academic year, regardless of whether those pupils attended more than one school within the school district for that academic year.

2. Except as otherwise provided in this subsection, the Department shall determine that a school district has failed to make adequate yearly progress if any ~~{subgroup}~~ *group* of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school district does not satisfy the annual measurable objectives established by the State Board pursuant

to that section. To comply with 20 U.S.C. § 6311(b)(2)(I) and the regulations adopted pursuant thereto, the State Board shall prescribe by regulation the conditions under which a school district shall be deemed to have made adequate yearly progress even though a ~~{subgroup}~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school district did not satisfy the annual measurable objectives of the State Board.

3. In addition to the provisions of subsection 2, the Department shall determine that a school district has failed to make adequate yearly progress if:

(a) The number of pupils enrolled in the school district who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils enrolled in the school district who were required to take the examinations; or

(b) Except as otherwise provided in subsection 4, for each ~~{subgroup}~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361, the number of pupils enrolled in the school district who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils in the ~~{subgroup}~~ group who were required to take the examinations.

4. If the number of pupils in a particular ~~{subgroup}~~ group who are enrolled in a school district is insufficient to yield statistically reliable information:

(a) The Department shall not determine that the school district has failed to make adequate yearly progress pursuant to paragraph (b) of subsection 3 based solely upon that particular ~~{subgroup}~~ group.

(b) The pupils in such a ~~{subgroup}~~ group must be included in the overall count of pupils enrolled in the school district who took the examinations.

➤ The State Board shall prescribe the mechanism for determining the minimum number of pupils that must be in a ~~{subgroup}~~ group for that ~~{subgroup}~~ group to yield statistically reliable information.

Sec. 15.5. NRS 385.3785 is hereby amended to read as follows:

385.3785 1. The Commission shall:

(a) Establish a program of educational excellence designed exclusively for pupils enrolled in kindergarten through grade 6 in public schools in this State based upon:

(1) The plan to improve the achievement of pupils prepared by the State Board pursuant to NRS 385.34691;

(2) The plan to improve the achievement of pupils prepared by the board of trustees of each school district pursuant to NRS 385.348;

(3) The plan to improve the achievement of pupils prepared by the principal of each school pursuant to NRS 385.357, which may include a program of innovation; and

(4) Any other information that the Commission considers relevant to the development of the program of educational excellence.

(b) Identify programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

(c) Develop a concise application and simple procedures for the submission of applications by school districts and public schools, including, without limitation, charter schools, for participation in a program of educational excellence and for grants of money from the Account. Grants of money must be made for programs designed for the achievement of pupils that are linked to the plan to improve the achievement of pupils or for innovative programs, or both. All school districts and public schools, including, without limitation, charter schools, are eligible to submit such an application, regardless of whether the school district or school has made adequate yearly progress or failed to make adequate yearly progress. A school district or public school selected for participation may be approved by the Commission for participation for a period not to exceed 2 years, but may reapply.

(d) Prescribe a long-range timeline for the review, approval and evaluation of applications received from school districts and public schools that desire to participate in the program.

(e) Prescribe accountability measures to be carried out by a school district or public school that participates in the program if that school district or public school does not meet the annual measurable objectives established by the State Board pursuant to NRS 385.361, including, without limitation:

(1) The specific levels of achievement expected of school districts and schools that participate; and

(2) Conditions for school districts and schools that do not meet the grant criteria but desire to continue participation in the program and receive money from the Account, including, without limitation, a review of the leadership at the school and recommendations regarding changes to the appropriate body.

(f) Determine the amount of money that is available from the Account for those school districts and public schools that are selected to participate in the program.

(g) Allocate money to school districts and public schools from the Account. Allocations must be distributed not later than August 15 of each year.

(h) Establish criteria for school districts and public schools that participate in the program and receive an allocation of money from the Account to evaluate the effectiveness of the allocation in improving the achievement of pupils, including, without limitation, a detailed analysis of:

(1) The achievement of pupils enrolled at each school that received money from the allocation based upon measurable criteria identified in the plan to improve the achievement of pupils for the school prepared pursuant to NRS 385.357;

(2) If applicable, the achievement of pupils enrolled in the school district as a whole, based upon measurable criteria identified in the plan to improve the achievement of pupils for the school district prepared pursuant to NRS 385.348;

(3) If applicable, the effectiveness of the program of innovation on the achievement of pupils and the overall effectiveness for pupils and staff;

(4) The implementation of the applicable plans for improvement, including, without limitation, an analysis of whether the school district or the school is meeting the measurable objectives identified in the plan; and

(5) The attainment of measurable progress on the annual list of adequate yearly progress of school districts and schools.

2. To the extent money is available, the Commission shall make allocations of money to school districts and public schools for effective programs for grades 7 through 12 that are designed to improve the achievement of pupils and effective programs of innovation for pupils. In making such allocations, the Commission shall comply with the requirements of subsection 1.

3. *The Commission shall ensure, to the extent practicable, that grants of money provided pursuant to this section reflect the economic and geographic diversity of this State. ~~It shall also reflect the academic needs of pupils, any special academic interests of pupils and any other special concerns of pupils, including, without limitation, schools that have a large population of Native Americans.~~*

4. If a school district or public school that receives money pursuant to subsection 1 or 2 does not meet the criteria for effectiveness as prescribed in paragraph (h) of subsection 1 over a 2-year period, the Commission may consider not awarding future allocations of money to that school district or public school.

~~{4.}~~ 5. On or before July 1 of each year, the Department shall provide a list of priorities of schools based upon the adequate yearly progress status of schools in the immediately preceding year for consideration by the Commission in its development of procedures for the applications.

~~{5.}~~ 6. In carrying out the requirements of this section, the Commission shall review and consider the programs of remedial study adopted by the Department pursuant to NRS 385.389, the list of approved providers of supplemental services maintained by the Department pursuant to NRS 385.384 and the recommendations submitted by the Committee pursuant to NRS 218.5354 concerning programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

Sec. 16. NRS 385.391 is hereby amended to read as follows:

385.391 1. The Department shall adopt:

(a) Regulations to provide for the recognition of schools that:

(1) Receive a designation as demonstrating exemplary achievement or high achievement pursuant to NRS 385.3623.

(2) Significantly improve the academic achievement of ~~[subgroups]~~ groups of pupils identified in paragraph (b) of subsection 1 of NRS 385.361.

(3) Exceed adequate yearly progress, as determined by the Department pursuant to NRS 385.3613, for 2 or more consecutive years.

(b) Such regulations as it deems necessary to carry out the provisions of this section and NRS 385.3455 to 385.391, inclusive, including, without limitation, uniform standards for the type and format of data that must be submitted by the school districts and the time by which such data must be submitted.

2. The Department may work in consultation with the Bureau for identifying and publicizing the achievement of schools that are recognized pursuant to paragraph (a) of subsection 1.

Sec. 17. NRS 386.605 is hereby amended to read as follows:

386.605 1. On or before July 15 of each year, the governing body of a charter school ~~that is sponsored by the board of trustees of a school district~~ shall submit the information concerning the charter school that is required pursuant to subsection 2 of NRS 385.347 to the board of trustees ~~that sponsors~~ of the school district in which the charter school is located for inclusion in the report of the school district pursuant to that section. The information must be submitted by the charter school in a format prescribed by the board of trustees.

2. The Legislative Bureau of Educational Accountability and Program Evaluation created pursuant to NRS 218.5356 may authorize a person or entity with whom it contracts pursuant to NRS 385.359 to review and analyze information submitted by charter schools pursuant to this section and NRS 385.357, consult with the governing bodies of charter schools and submit written reports concerning charter schools pursuant to NRS 385.359.

Sec. 18. NRS 386.650 is hereby amended to read as follows:

386.650 1. The Department shall establish and maintain an automated system of accountability information for Nevada. The system must:

(a) Have the capacity to provide and report information, including, without limitation, the results of the achievement of pupils:

(1) In the manner required by 20 U.S.C. §§ 6301 et seq., and the regulations adopted pursuant thereto, and NRS 385.3469 and 385.347; and

(2) In a separate reporting for each ~~subgroup~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361;

(b) Include a system of unique identification for each pupil:

(1) To ensure that individual pupils may be tracked over time throughout this State; and

(2) That, to the extent practicable, may be used for purposes of identifying a pupil for both the public schools and the Nevada System of Higher Education, if that pupil enrolls in the System after graduation from high school;

(c) Have the capacity to provide longitudinal comparisons of the academic achievement, rate of attendance and rate of graduation of pupils over time throughout this State;

(d) Have the capacity to perform a variety of longitudinal analyses of the results of individual pupils on assessments, including, without limitation, the results of pupils by classroom and by school;

(e) Have the capacity to identify which teachers are assigned to individual pupils and which paraprofessionals, if any, are assigned to provide services to individual pupils;

(f) Have the capacity to provide other information concerning schools and school districts that is not linked to individual pupils, including, without limitation, the designation of schools and school districts pursuant to NRS 385.3623 and 385.377, respectively, and an identification of which schools, if any, are persistently dangerous;

(g) Have the capacity to access financial accountability information for each public school, including, without limitation, each charter school, for each school district and for this State as a whole; and

(h) Be designed to improve the ability of the Department, school districts and the public schools in this State, including, without limitation, charter schools, to account for the pupils who are enrolled in the public schools, including, without limitation, charter schools.

➤ The information maintained pursuant to paragraphs (c), (d) and (e) must be used for the purpose of improving the achievement of pupils and improving classroom instruction but must not be used for the purpose of evaluating an individual teacher or paraprofessional.

2. The board of trustees of each school district shall:

(a) Adopt and maintain the program prescribed by the Superintendent of Public Instruction pursuant to subsection 3 for the collection, maintenance and transfer of data from the records of individual pupils to the automated system of information, including, without limitation, the development of plans for the educational technology which is necessary to adopt and maintain the program;

(b) Provide to the Department electronic data concerning pupils as required by the Superintendent of Public Instruction pursuant to subsection 3; and

(c) Ensure that an electronic record is maintained in accordance with subsection 3 of NRS 386.655.

3. The Superintendent of Public Instruction shall:

(a) Prescribe a uniform program throughout this State for the collection, maintenance and transfer of data that each school district must adopt, which must include standardized software;

(b) Prescribe the data to be collected and reported to the Department by each school district and each sponsor of a charter school pursuant to subsection 2;

(c) Prescribe the format for the data;

(d) Prescribe the date by which each school district shall report the data;

(e) Prescribe the date by which each charter school shall report the data to the sponsor of the charter school;

(f) Prescribe standardized codes for all data elements used within the automated system and all exchanges of data within the automated system, including, without limitation, data concerning:

(1) Individual pupils;

(2) Individual teachers and paraprofessionals;

(3) Individual schools and school districts; and

(4) Programs and financial information;

(g) Provide technical assistance to each school district to ensure that the data from each public school in the school district, including, without limitation, each charter school located within the school district, is compatible with the automated system of information and comparable to the data reported by other school districts; and

(h) Provide for the analysis and reporting of the data in the automated system of information.

4. The Department shall establish, to the extent authorized by the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, a mechanism by which persons or entities, including, without limitation, state officers who are members of the Executive or Legislative Branch, administrators of public schools and school districts, teachers and other educational personnel, and parents and guardians, will have different types of access to the accountability information contained within the automated system to the extent that such information is necessary for the performance of a duty or to the extent that such information may be made available to the general public without posing a threat to the confidentiality of an individual pupil.

5. The Department may, to the extent authorized by the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, enter into an agreement with the Nevada System of Higher Education to provide access to data contained within the automated system for research purposes.

Sec. 19. NRS 388.795 is hereby amended to read as follows:

388.795 1. The Commission shall establish a plan for the use of educational technology in the public schools of this State. In preparing the plan, the Commission shall consider:

(a) Plans that have been adopted by the Department and the school districts in this State;

(b) Plans that have been adopted in other states;

(c) The information reported pursuant to paragraph (t) of subsection 2 of NRS 385.347; ~~and~~

(d) *The results of the assessment of needs conducted pursuant to subsection 6; and*

(e) Any other information that the Commission or the Committee deems relevant to the preparation of the plan.

2. The plan established by the Commission must include recommendations for methods to:

(a) Incorporate educational technology into the public schools of this State;

(b) Increase the number of pupils in the public schools of this State who have access to educational technology;

(c) Increase the availability of educational technology to assist licensed teachers and other educational personnel in complying with the requirements of continuing education, including, but not limited to, the receipt of credit for college courses completed through the use of educational technology;

(d) Facilitate the exchange of ideas to improve the achievement of pupils who are enrolled in the public schools of this State; and

(e) Address the needs of teachers in incorporating the use of educational technology in the classroom, including, ~~{but not limited to,}~~ *without limitation*, the completion of training that is sufficient to enable the teachers to instruct pupils in the use of educational technology.

3. The Department shall provide:

(a) Administrative support;

(b) Equipment; and

(c) Office space,

☛ as is necessary for the Commission to carry out the provisions of this section.

4. The following entities shall cooperate with the Commission in carrying out the provisions of this section:

(a) The State Board.

(b) The board of trustees of each school district.

(c) The superintendent of schools of each school district.

(d) The Department.

5. The Commission shall:

(a) Develop technical standards for educational technology and any electrical or structural appurtenances necessary thereto, including, without limitation, uniform specifications for computer hardware and wiring, to ensure that such technology is compatible, uniform and can be interconnected throughout the public schools of this State.

(b) Allocate money to the school districts from the Trust Fund for Educational Technology created pursuant to NRS 388.800 and any money appropriated by the Legislature for educational technology, subject to any priorities for such allocation established by the Legislature.

(c) Establish criteria for the board of trustees of a school district that receives an allocation of money from the Commission to:

(1) Repair, replace and maintain computer systems.

(2) Upgrade and improve computer hardware and software and other educational technology.

(3) Provide training, installation and technical support related to the use of educational technology within the district.

(d) Submit to the Governor, the Committee and the Department its plan for the use of educational technology in the public schools of this State and any recommendations for legislation.

(e) Review the plan annually and make revisions as it deems necessary or as directed by the Committee or the Department.

(f) In addition to the recommendations set forth in the plan pursuant to subsection 2, make further recommendations to the Committee and the Department as the Commission deems necessary.

6. *During the spring semester of each even-numbered school year, the Commission shall conduct an assessment of the needs of each school district relating to educational technology. In conducting the assessment, the Commission shall consider:*

(a) The recommendations set forth in the plan pursuant to subsection 2;

(b) The plan for educational technology of each school district, if applicable;

(c) Evaluations of educational technology conducted for the State or for a school district, if applicable; and

(d) Any other information deemed relevant by the Commission.

☛ *The Commission shall submit a final written report of the assessment to the Superintendent of Public Instruction on or before April 1 of each even-numbered year.*

7. *The Superintendent of Public Instruction shall prepare a written compilation of the results of the assessment conducted by the Commission and transmit the written compilation on or before June 1 of each even-numbered year to the Legislative Committee on Education and to*

the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.

8. The Commission may appoint an advisory committee composed of members of the Commission or other qualified persons to provide recommendations to the Commission regarding standards for the establishment, coordination and use of a telecommunications network in the public schools throughout the various school districts in this State. The advisory committee serves at the pleasure of the Commission and without compensation unless an appropriation or other money for that purpose is provided by the Legislature.

~~{7}~~ 9. As used in this section, "public school" includes the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS.

Sec. 20. NRS 389.018 is hereby amended to read as follows:

389.018 1. The following subjects are designated as the core academic subjects that must be taught, as applicable for grade levels, in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

- (a) English, including reading, composition and writing;
- (b) Mathematics;
- (c) Science; and
- (d) Social studies, which includes only the subjects of history, geography, economics and government.

2. *Except as otherwise provided in this subsection, a pupil enrolled in a public high school must enroll in a minimum of:*

- (a) *Four units of credit in English;*
- (b) *Four units of credit in mathematics, including, without limitation, Algebra I and geometry, or an equivalent course of study that integrates Algebra I and geometry;*
- (c) *Three units of credit in science, including two laboratory courses; and*
- (d) *Three units of credit in social studies, including, without limitation:*
 - (1) *American government;*
 - (2) *American history; and*
 - (3) *World history or geography.*

↪ *A pupil is not required to enroll in the courses of study and credits required by this subsection if the pupil, the parent or legal guardian of the pupil and an administrator or a counselor at the school in which the pupil is enrolled mutually agree to a modified course of study for the pupil and that modified course of study satisfies at least the requirements for a standard high school diploma or an adjusted diploma, as applicable.*

3. Except as otherwise provided in this subsection, in addition to the core academic subjects, the following subjects must be taught as applicable for grade levels and to the extent practicable in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

- (a) The arts;
- (b) Computer education and technology;
- (c) Health; and
- (d) Physical education.

↪ If the State Board requires the completion of course work in a subject area set forth in this subsection for graduation from high school or promotion to the next grade, a public school shall offer the required course work. Unless a subject is required for graduation from high school or promotion to the next grade, a charter school is not required to comply with this subsection.

Sec. 21. NRS 389.520 is hereby amended to read as follows:

389.520 1. The Council shall:

(a) Establish standards of content and performance, including, without limitation, a prescription of the resulting level of achievement, for the grade levels set forth in subsection 2, based upon the content of each course, that is expected of pupils for the following courses of study:

- (1) English, including reading, composition and writing;

- (2) Mathematics;
- (3) Science;
- (4) Social studies, which includes only the subjects of history, geography, economics and government;
- (5) The arts;
- (6) Computer education and technology;
- (7) Health; and
- (8) Physical education.

(b) Establish a schedule for the periodic review and, if necessary, revision of the standards of content and performance. The review must include, without limitation, the review required pursuant to NRS 389.570 of the results of pupils on the examinations administered pursuant to NRS 389.550.

(c) Assign priorities to the standards of content and performance relative to importance and degree of emphasis and revise the standards, if necessary, based upon the priorities.

2. The Council shall establish standards of content and performance for each grade level in kindergarten and grades 1 to 8, inclusive, for English and mathematics. The Council shall establish standards of content and performance for the grade levels selected by the Council for the other courses of study prescribed in subsection 1.

3. *The Council shall forward to the State Board the standards of content and performance established by the Council for each course of study. The State Board shall:*

- (a) *Adopt the standards for each course of study, as submitted by the Council; or*
- (b) *If the State Board objects to the standards for a course of study or a particular grade level for a course of study, return those standards to the Council with a written explanation setting forth the reason for the objection.*

4. *If the State Board returns to the Council the standards of content and performance for a course of study or a grade level, the Council shall:*

- (a) *Consider the objection provided by the State Board and determine whether to revise the standards based upon the objection; and*
- (b) *Return the standards or the revised standards, as applicable, to the State Board.*

➤ *The State Board shall adopt the standards of content and performance ~~established by the Council.~~*

~~4. or the revised standards, as applicable.~~

5. The Council shall work in cooperation with the State Board to prescribe the examinations required by NRS 389.550.

Sec. 22. NRS 392.033 is hereby amended to read as follows:

392.033 1. The State Board shall adopt regulations which prescribe the courses of study required for promotion to high school, ~~which~~ including, without limitation, English, mathematics, science and social studies. The regulations may include the credits to be earned ~~in each course.~~

2. ~~The~~ Except as otherwise provided in subsection 4, the board of trustees of a school district shall not promote a pupil to high school if the pupil does not complete the course of study or credits required for promotion. ~~If a pupil is retained in grade 8 pursuant to this subsection and the pupil does not complete the course of study or credits required for promotion, the pupil shall complete a program of remedial study as required by the school district. If the pupil successfully completes the program of remedial study, the board of trustees shall promote the pupil to high school. If the pupil does not successfully complete the program of remedial study, he must be retained in grade 8 until he completes the course of study or credits required for promotion or successfully completes a program of remedial study.~~ The board of trustees of the school district in which the pupil is enrolled may ~~shall~~ provide programs of remedial study to complete the courses of study required for promotion to high school.

3. The board of trustees of each school district shall adopt a procedure for evaluating the course of study or credits completed by a pupil who transfers to a junior high or middle school from a junior high or middle school in this State or from a school outside of this State.

4. The board of trustees of each school district shall adopt a policy that allows a pupil who has not completed the courses of study or credits required for promotion to high school to be placed on academic probation and to enroll in high school. A pupil who is on academic

probation pursuant to this subsection shall complete appropriate remediation in the subject areas that he failed to pass. The policy must include the criteria for eligibility of a pupil to be placed on academic probation. A parent or guardian may elect not to place his child on academic probation but to remain in grade 8.

Sec. 23. (Deleted by amendment.)

Sec. 24. NRS 385.3691 and 385.3692 are hereby repealed.

Sec. 25. (Deleted by amendment.)

Sec. 26. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of \$340,200 for the costs of a study to measure the alignment of class assignments given to pupils at selected grade levels with the standards of content and performance established by the Council to Establish Academic Standards for Public Schools pursuant to NRS 389.520.

2. Before the Interim Finance Committee issues a request for proposals for a consultant to conduct the study, the Legislative Committee on Education shall select 100 public schools to participate in the study and the grade levels to be reviewed at each school. The schools must be elementary schools, middle schools and junior high schools and the grade levels selected must not include the ninth grade.

3. After selection of the public schools and grade levels by the Legislative Committee on Education, the Interim Finance Committee shall issue a request for proposals and enter into a contract with a qualified and independent consultant to conduct the study.

4. The consultant selected by the Interim Finance Committee shall, for each school selected by the Legislative Committee on Education, review a representative sampling of class assignments given to pupils for mathematics and English language arts at the selected grade levels and determine the alignment of those assignments with the standards of content and performance for those subject areas. For each school, the consultant shall report:

(a) The type of assignments that were reviewed, including, without limitation, homework, quizzes and tests;

(b) Whether the assignments were completed independently by pupils or in groups of pupils, or with the assistance of a teacher or aide;

(c) The source of the assignments, including, without limitation, textbooks and workbooks, created by the teacher or created by the school district;

(d) The grade levels of pupils subject to review;

(e) The percentage of the assignments that are aligned to the standards; and

(f) An assessment of the depth to which the standard is covered by the assignments.

5. The consultant shall prepare a written report of the results of the findings:

(a) For each school for submission to the principal of that school.

(b) For all schools that participate in the study for submission to the:

(1) Legislative Committee on Education;

(2) Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature;

(3) State Board of Education; and

(4) Department of Education.

6. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 26.5. The Superintendent of Public Instruction shall:

1. Prepare a plan for the reporting of the annual rate of pupils who drop out of school in grades 6 and 7 beginning in July 2011; and

2. Submit a report concerning the plan to the Director of the Legislative Counsel Bureau for transmittal to the 75th Session of the Legislature.

Sec. 27. The assessment of needs conducted by the Commission on Educational Technology pursuant to NRS 388.795, as amended by section 19 of this act, for the spring semester of 2008 must include, without limitation, an assessment of:

1. The need for computer-based assessments, including, without limitation, the use of computers for the administration of the high school proficiency examination;

2. The integration of educational technology to improve the achievement and proficiency of pupils; and

3. The feasibility and costs associated with using laptop computers in lieu of traditional textbooks.

Sec. 28. The provisions of section 20 of this act apply to pupils who are enrolled in grade 9 for the 2007-2008 school year and for each school year thereafter.

Sec. 29. This act becomes effective on July 1, 2007.

TEXT OF REPEALED SECTIONS

385.3691 Membership of technical assistance partnership.

1. The membership of each technical assistance partnership established by the board of trustees of a school district for a public school pursuant to NRS 385.3661:

(a) Must consist of:

(1) At least one employee of the public school for which the partnership is established; and

(2) At least one representative of the school district.

(b) May consist of other persons, as determined by the board of trustees, in accordance with the needs of the school based upon the data and information pertaining to that school.

2. The membership of each technical assistance partnership established by the governing body of a charter school:

(a) Must consist of:

(1) At least one employee of the charter school;

(2) At least one member of the governing body of the charter school;

(3) For a charter school sponsored by the board of trustees of the school district, at least one representative of the school district, appointed by the school district; and

(4) For a charter school sponsored by the State Board, at least one representative of the Department, appointed by the Department.

(b) May consist of other persons, as determined by the governing body, in accordance with the needs of the charter school based upon the data and information pertaining to that charter school.

385.3692 Powers and duties of technical assistance partnership; completion and submission of form concerning review and analysis of school; Department required to prescribe form for use by partnership.

1. Each technical assistance partnership established for a public school shall complete a form prescribed by the Department pursuant to this section or an expanded form, if applicable, that includes:

(a) A review and analysis of the operation of the school, including, without limitation, the design and operation of the instructional program of the school;

(b) A review and analysis of the data pertaining to the school based upon the report required pursuant to subsection 2 of NRS 385.347 and a review and analysis of any data that is more recent;

(c) A review of the most recent plan to improve the achievement of the school's pupils; and

(d) An identification of the problems and factors at the school that contributed to the designation of the school as demonstrating need for improvement.

2. Each technical assistance partnership established for a public school shall:

(a) Assist the school in developing recommendations for improving the performance of pupils who are enrolled in the school; and

(b) Adopt, in consultation with the employees of the school, written revisions to the most recent plan to improve the achievement of the school's pupils for approval pursuant to NRS 385.357. The written revisions must:

(1) Include the data and findings of the technical assistance partnership that provide support for the revisions;

(2) If the school is a Title I school, be developed in consultation with parents and guardians of pupils enrolled in the school and, to the extent deemed appropriate by the entity that created the technical assistance partnership, outside experts;

(3) Set forth a timeline to carry out the revisions;

(4) Set forth priorities for the school in carrying out the revisions; and

(5) Set forth the names and duties of each person who is responsible for carrying out the revisions.

3. On or before November 1 of each year, each technical assistance partnership shall submit the form completed pursuant to subsection 1 to the:

- (a) Department;
- (b) Bureau;
- (c) Board of trustees of the school district or governing body of the charter school, as applicable; and
- (d) Principal of the school.

4. The Department shall, in consultation with the Bureau:

- (a) Prescribe a form that contains the basic information for a technical assistance partnership to carry out its duties pursuant to subsection 1; and
- (b) Make the form available on a computer disc for use by technical assistance partnerships and, upon request, in any other manner deemed reasonable by the Department.

5. Except as otherwise provided in this subsection, each technical assistance partnership shall use the form prescribed by the Department to carry out its duties pursuant to subsection 1. A school district or governing body of a charter school may prescribe an expanded form that contains additions to the form prescribed by the Department if the basic information contained in the expanded form complies with the form prescribed by the Department.

6. A technical assistance partnership may require the school for which the partnership was established to submit plans, strategies, tasks and measures that, in the determination of the partnership, will assist the school in improving the achievement and proficiency of pupils enrolled in the school.

BARBARA K. CEGAVSKE

BOB BEERS

MAURICE E. WASHINGTON

Senate Conference Committee

BONNIE PARNELL

TICK SEGERBLOM

LYNN STEWART

Assembly Conference Committee

Remarks by Senators Cegavske, Carlton and Horsford.

Senator Horsford moved that Senate Bill No. 184 be placed on the bottom of Unfinished Business on this agenda.

Motion carried.

Mr. President:

The first Conference Committee concerning Senate Bill No. 490, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment Nos. 1018 and 1123 of the Assembly be concurred in.

BARBARA K. CEGAVSKE

RANDOLPH J. TOWNSEND

STEVEN A. HORSFORD

Senate Conference Committee

JOHN OCEGUERA

MARCUS CONKLIN

JOHN C. CARPENTER

Assembly Conference Committee

Senator Cegavske moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 490.

Remarks by Senator Cegavske.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Senate Bill No. 517, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 1053 of the Assembly be receded from and a 3rd reprint be created in accordance with this action.

BOB BEERS

JOHN J. LEE

WARREN B. HARDY II

Senate Conference Committee

MORSE ARBERRY

ELLEN KOIVISTO

TOM GRADY

Assembly Conference Committee

Senator Beers moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 517.

Remarks by Senator Beers.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Assembly Bill No. 619, consisting of the undersigned members, has met and reports that:

A new resolution be substituted.

DENNIS NOLAN

JOSEPH J. HECK

JOHN J. LEE

Senate Conference Committee

JOHN OCEGUERA

MARCUS CONKLIN

FRANCIS ALLEN

Assembly Conference Committee

Senator Nolan moved that the Senate adopt the report of the first Conference Committee concerning Assembly Bill No. 619.

Remarks by Senator Nolan.

Motion carried by a constitutional majority.

Mr. President:

The first Conference Committee concerning Senate Bill No. 184, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that the Amendment No. 821 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 42, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions governing education. (BDR 34-419)"

"AN ACT relating to education; revising provisions governing the statewide system of accountability for public schools and school districts; revising provisions governing the Commission on Educational Excellence; revising provisions governing the Commission on Educational Technology; prescribing the minimum credits required of pupils enrolled in high school in certain courses of study; providing for a waiver from the required enrollment in the minimum credits; revising provisions governing the adoption of academic standards; revising provisions governing promotion to high school; making an appropriation; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

The State Board of Education and each school district are required to prepare annual reports of accountability information. (NRS 385.3469, 385.347, 385.349) In addition, the State Board, each school district and each public school are required to prepare a plan to improve the achievement of pupils. (NRS 385.34691, 385.348, 385.357) Sections 1-7 of this bill revise the provisions governing the annual reports of accountability and the plans to improve.

Each public school is designated annually based upon the yearly progress of the pupils enrolled in the school. (NRS 385.3623, 385.366) If a school is designated for 1 year as demonstrating need for achievement, a technical assistance partnership must be established for the school. (NRS 385.3661, 385.3691, 385.3692) If the school is designated for 2 consecutive years as demonstrating need for improvement, the technical assistance partnership must be continued. (NRS 385.3693) Sections 9, 10 and 24 of this bill eliminate the requirement for the establishment of technical assistance partnerships.

If a public school is designated as demonstrating need for improvement for 3 consecutive years or more, a support team must be established for that school. (NRS 385.3721, 385.374, 385.3741) A support team is required to recommend certain types of corrective action for the school. (NRS 385.3744, 385.376) Sections 11-14 of this bill revise provisions governing the school support teams and the recommendation of corrective action.

Existing law creates the Commission on Educational Excellence and requires the Commission to provide for the distribution of grants of money to public schools and school districts from the Account for Programs for Innovation and the Prevention of Remediation. (NRS 385.3781-385.379) Section 15.5 of this bill revises provisions governing the factors for consideration by the Commission in awarding grants of money from the Account.

Existing law creates the Commission on Educational Technology and requires the Commission to establish a plan for the use of educational technology in the public schools. (NRS 388.790, 388.795) Section 19 of this bill requires the Commission to conduct an assessment of the needs of each school district relating to educational technology during the spring semester of each even-numbered school year for submission to the Legislative Committee on Education and the Legislature.

Existing law designates the core academic subjects that must be taught in all public schools as English, mathematics, science and social studies. (NRS 389.018) Section 20 of this bill prescribes the minimum units of credit in the core academic subjects in which a pupil must enroll. Section 20 also provides that the pupil, his parent or legal guardian and an administrator or counselor at the school may mutually agree to a modified course of study for the pupil.

Existing law requires the Council to Establish Academic Standards for Public Schools to establish the standards of content and performance for certain courses of study. (NRS 389.520) The State Board is required to adopt the standards as submitted by the Council. Section 21 of this bill authorizes the State Board to object to the standards and return the standards to the Council for reconsideration.

Existing law prohibits a pupil from being promoted to high school unless he completes certain course work and credits. (NRS 392.033) Section 22 of this bill provides ~~[that if a pupil has] for remedial study for pupils who have been retained [one time] in grade 8, [and he fails again to successfully complete the requirements, he must complete a program of remedial study.]~~

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

Section 1. NRS 385.3469 is hereby amended to read as follows:

385.3469 1. The State Board shall prepare an annual report of accountability that includes, without limitation:

(a) Information on the achievement of all pupils based upon the results of the examinations administered pursuant to NRS 389.015 and 389.550, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(b) Except as otherwise provided in subsection 2, pupil achievement, reported separately by gender and reported separately for the following ~~[subgroups]~~ groups of pupils:

- (1) Pupils who are economically disadvantaged, as defined by the State Board;
- (2) Pupils from major racial and ethnic groups, as defined by the State Board;
- (3) Pupils with disabilities;
- (4) Pupils who are limited English proficient; and
- (5) Pupils who are migratory children, as defined by the State Board.

(c) A comparison of the achievement of pupils in each ~~[subgroup]~~ group identified in paragraph (b) of subsection 1 of NRS 385.361 with the annual measurable objectives of the State Board.

(d) The percentage of all pupils who were not tested, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(e) Except as otherwise provided in subsection 2, the percentage of pupils who were not tested, reported separately by gender and reported separately for the ~~[subgroups]~~ groups identified in paragraph (b).

(f) The most recent 3-year trend in the achievement of pupils in each subject area tested and each grade level tested pursuant to NRS 389.015 and 389.550, reported for each school district,

including, without limitation, each charter school in the district, and for this State as a whole, which may include information regarding the trend in the achievement of pupils for more than 3 years, if such information is available.

(g) Information on whether each school district has made adequate yearly progress, including, without limitation, the name of each school district, if any, designated as demonstrating need for improvement pursuant to NRS 385.377 and the number of consecutive years that the school district has carried that designation.

(h) Information on whether each public school, including, without limitation, each charter school, has made adequate yearly progress, including, without limitation, the name of each public school, if any, designated as demonstrating need for improvement pursuant to NRS 385.3623 and the number of consecutive years that the school has carried that designation.

(i) Information on the results of pupils who participated in the examinations of the National Assessment of Educational Progress required pursuant to NRS 389.012.

(j) The ratio of pupils to teachers in kindergarten and at each grade level for all elementary schools, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole, and the average class size for each core academic subject, as set forth in NRS 389.018, for each secondary school, reported for each school district and for this State as a whole.

(k) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, information on the professional qualifications of teachers employed by the school districts and charter schools, including, without limitation:

(1) The percentage of teachers who are:

(I) Providing instruction pursuant to NRS 391.125;

(II) Providing instruction pursuant to a waiver of the requirements for licensure for the grade level or subject area in which the teachers are employed; or

(III) Otherwise providing instruction without an endorsement for the subject area in which the teachers are employed;

(2) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, in this State that are not taught by highly qualified teachers;

(3) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, in this State that are not taught by highly qualified teachers, in the aggregate and disaggregated by high-poverty compared to low-poverty schools, which for the purposes of this subparagraph means schools in the top quartile of poverty and the bottom quartile of poverty in this State;

(4) For each middle school, junior high school and high school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level and subject area; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level and subject area; and

(5) For each elementary school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level.

(l) The total expenditure per pupil for each school district in this State, including, without limitation, each charter school in the district. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not

available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(m) The total statewide expenditure per pupil. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(n) For all elementary schools, junior high schools and middle schools, the rate of attendance, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(o) The annual rate of pupils who drop out of school in *grade 8 and a separate reporting of the annual rate of pupils who drop out of school in grades 9 to 12, inclusive*, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole. ~~[-excluding] The reporting for pupils in grades 9 to 12, inclusive, excludes~~ pupils who:

(1) Provide proof to the school district of successful completion of the examinations of general educational development.

(2) Are enrolled in courses that are approved by the Department as meeting the requirements for an adult standard diploma.

(3) Withdraw from school to attend another school.

(p) The attendance of teachers who provide instruction, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(q) Incidents involving weapons or violence, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(r) Incidents involving the use or possession of alcoholic beverages or controlled substances, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(s) The suspension and expulsion of pupils required or authorized pursuant to NRS 392.466 and 392.467, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(t) The number of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(u) The number of pupils in each grade who are retained in the same grade pursuant to NRS 392.033 or 392.125, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(v) The transiency rate of pupils, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole. For the purposes of this paragraph, a pupil is not a transient if he is transferred to a different school within the school district as a result of a change in the zone of attendance by the board of trustees of the school district pursuant to NRS 388.040.

(w) Each source of funding for this State to be used for the system of public education.

(x) A compilation of the programs of remedial study purchased in whole or in part with money received from this State that are used in each school district, including, without limitation, each charter school in the district. The compilation must include:

(1) The amount and sources of money received for programs of remedial study.

(2) An identification of each program of remedial study, listed by subject area.

(y) The percentage of pupils who graduated from a high school or charter school in the immediately preceding year and enrolled in remedial courses in reading, writing or mathematics at a university, state college or community college within the Nevada System of Higher Education, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(z) The technological facilities and equipment available for educational purposes, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(aa) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of pupils who received:

(1) A standard high school diploma ~~that is reported separately for pupils who received the diploma pursuant to:~~

(I) Paragraph (a) of subsection 1 of section 4 of Senate Bill No. 312 of this session; and
(II) Paragraph (b) of subsection 1 of section 4 of Senate Bill No. 312 of this session.

(2) An adjusted diploma.

(3) A certificate of attendance.

(bb) ~~The~~ For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of pupils who ~~did not receive a high school diploma because the pupils~~ failed to pass the high school proficiency examination . ~~[, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.]~~

(cc) The number of habitual truants who are reported to a school police officer or local law enforcement agency pursuant to paragraph (a) of subsection 2 of NRS 392.144 and the number of habitual truants who are referred to an advisory board to review school attendance pursuant to paragraph (b) of subsection 2 of NRS 392.144, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(dd) Information on the paraprofessionals employed at public schools in this State, including, without limitation, the charter schools in this State. The information must include:

(1) The number of paraprofessionals employed, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole; and

(2) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of all paraprofessionals who do not satisfy the qualifications set forth in 20 U.S.C. § 6319(c). The reporting requirements of this subparagraph apply to paraprofessionals who are employed in programs supported with Title I money and to paraprofessionals who are not employed in programs supported with Title I money.

(ee) An identification of appropriations made by the Legislature to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

(ff) A compilation of the special programs available for pupils at individual schools, listed by school and by school district, including, without limitation, each charter school in the district.

2. A separate reporting for a ~~{subgroup}~~ group of pupils must not be made pursuant to this section if the number of pupils in that ~~{subgroup}~~ group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual pupil. The State Board shall prescribe a mechanism for determining the minimum number of pupils that must be in a ~~{subgroup}~~ group for that ~~{subgroup}~~ group to yield statistically reliable information.

3. The annual report of accountability must:

(a) Comply with 20 U.S.C. § 6311(h)(1) and the regulations adopted pursuant thereto;

(b) Be prepared in a concise manner; and

(c) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents can understand.

4. On or before September 1 of each year, the State Board shall:

(a) Provide for public dissemination of the annual report of accountability by posting a copy of the report on the Internet website maintained by the Department; and

(b) Provide written notice that the report is available on the Internet website maintained by the Department. The written notice must be provided to the:

(1) Governor;

(2) Committee;

(3) Bureau;

(4) Board of Regents of the University of Nevada;

(5) Board of trustees of each school district; and

(6) Governing body of each charter school.

5. Upon the request of the Governor, an entity described in paragraph (b) of subsection 4 or a member of the general public, the State Board shall provide a portion or portions of the annual report of accountability.

6. As used in this section:

(a) "Highly qualified" has the meaning ascribed to it in 20 U.S.C. § 7801(23).

(b) "Paraprofessional" has the meaning ascribed to it in NRS 391.008.

Sec. 2. NRS 385.34691 is hereby amended to read as follows:

385.34691 1. The State Board shall prepare a plan to improve the achievement of pupils enrolled in the public schools in this State. The plan:

(a) Must be prepared in consultation with:

(1) Employees of the Department;

(2) At least one employee of a school district in a county whose population is 100,000 or more, appointed by the Nevada Association of School Boards;

(3) At least one employee of a school district in a county whose population is less than 100,000, appointed by the Nevada Association of School Boards; and

(4) At least one representative of the Statewide Council for the Coordination of the Regional Training Programs created by NRS 391.516, appointed by the Council; and

(b) May be prepared in consultation with:

(1) Representatives of institutions of higher education;

(2) Representatives of regional educational laboratories;

(3) Representatives of outside consultant groups;

(4) Representatives of the regional training programs for the professional development of teachers and administrators created by NRS 391.512;

(5) The Bureau; and

(6) Other persons who the State Board determines are appropriate.

2. A plan to improve the achievement of pupils enrolled in public schools in this State must include:

(a) A review and analysis of the data upon which the report required pursuant to NRS 385.3469 is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors common among the school districts or charter schools in this State, as revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as set forth in NRS 389.018.

(d) Strategies to improve the academic achievement of pupils enrolled in public schools in this State, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

(I) The curriculum appropriate to improve achievement;

(II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS 389.015 and 389.550; and

(III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361;

(2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;

(3) Integrate technology into the instructional and administrative programs of the school districts;

(4) Manage effectively the discipline of pupils; and

(5) Enhance the professional development offered for the teachers and administrators employed at public schools in this State to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of the pupils enrolled in public schools in this State, as deemed appropriate by the State Board.

(e) Strategies designed to provide to the pupils enrolled in middle school, junior high school and high school, the teachers and counselors who provide instruction to those pupils, and the parents and guardians of those pupils information concerning:

(1) The requirements for admission to an institution of higher education and the opportunities for financial aid;

(2) The availability of Governor Guinn Millennium Scholarships pursuant to NRS 396.911 to 396.938, inclusive; and

(3) The need for a pupil to make informed decisions about his curriculum in middle school, junior high school and high school in preparation for success after graduation.

(f) An identification, by category, of the employees of the Department who are responsible for ensuring that each provision of the plan is carried out effectively.

(g) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.

(h) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.

(i) Strategies to improve the allocation of resources from this State, by program and by school district, in a manner that will improve the academic achievement of pupils. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(j) Based upon the reallocation of resources set forth in paragraph (i), the resources available to the State Board and the Department to carry out the plan, including, without limitation, a budget for the overall cost of carrying out the plan.

(k) A summary of the effectiveness of appropriations made by the Legislature to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

3. The State Board shall:

(a) Review the plan prepared pursuant to this section annually to evaluate the effectiveness of the plan; and

(b) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that the plan is designed to improve the academic achievement of pupils enrolled in public schools in this State.

4. On or before December 15 of each year, the State Board shall submit the plan or the revised plan, as applicable, to the:

(a) Governor;

(b) Committee;

(c) Bureau;

(d) Board of Regents of the University of Nevada;

(e) Council to Establish Academic Standards for Public Schools created by NRS 389.510;

(f) Board of trustees of each school district; and

(g) Governing body of each charter school.

Sec. 3. NRS 385.34692 is hereby amended to read as follows:

385.34692 1. The State Board shall prepare a summary of the annual report of accountability prepared pursuant to NRS 385.3469 that includes, without limitation, a summary of the following information for each school district, each charter school and the State as a whole:

(a) Demographic information of pupils, including, without limitation, the number and percentage of pupils:

(1) Who are economically disadvantaged, as defined by the State Board;

(2) Who are from major racial or ethnic groups, as defined by the State Board;

(3) With disabilities;

(4) Who are limited English proficient; and

(5) Who are migratory children, as defined by the State Board;

(b) The average daily attendance of pupils, reported separately for the ~~subgroups~~ groups identified in paragraph (a);

(c) The transiency rate of pupils;

(d) The percentage of pupils who are habitual truants;

- (e) The percentage of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655;
 - (f) The number of incidents resulting in suspension or expulsion for:
 - (1) Violence to other pupils or to school personnel;
 - (2) Possession of a weapon;
 - (3) Distribution of a controlled substance;
 - (4) Possession or use of a controlled substance; and
 - (5) Possession or use of alcohol;
 - (g) For kindergarten through grade 8, the number and percentage of pupils who are retained in the same grade;
 - (h) For grades 9 to 12, inclusive, the number and percentage of pupils who are deficient in the number of credits required for promotion to the next grade or graduation from high school;
 - (i) The pupil-teacher ratio for kindergarten and grades 1 to 8, inclusive;
 - (j) The average class size for the subject area of mathematics, English, science and social studies in schools where pupils rotate to different teachers for different subjects;
 - (k) The number and percentage of pupils who graduated from high school;
 - (l) The number and percentage of pupils who received a:
 - (1) Standard diploma;
 - (2) Adult diploma;
 - (3) Adjusted diploma; and
 - (4) Certificate of attendance;
 - (m) The number and percentage of pupils who graduated from high school and enrolled in remedial courses at the Nevada System of Higher Education;
 - (n) Per pupil expenditures;
 - (o) Information on the professional qualifications of teachers;
 - (p) The average daily attendance of teachers and licensure information;
 - (q) Information on the adequate yearly progress of the schools and school districts;
 - (r) Pupil achievement based upon the examinations administered pursuant to NRS 389.550 and the high school proficiency examination;
 - (s) To the extent practicable, pupil achievement based upon the examinations administered pursuant to NRS 389.015 for grades 4, 7 and 10; and
 - (t) Other information required by the Superintendent of Public Instruction in consultation with the Bureau.
2. The summary prepared pursuant to subsection 1 must:
- (a) Comply with 20 U.S.C. § 6311(h)(1) and the regulations adopted pursuant thereto;
 - (b) Be prepared in a concise manner; and
 - (c) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents will likely understand.
3. On or before September 7 of each year, the State Board shall:
- (a) Provide for public dissemination of the summary prepared pursuant to subsection 1 by posting the summary on the Internet website maintained by the Department; and
 - (b) Submit a copy of the summary in an electronic format to the:
 - (1) Governor;
 - (2) Committee;
 - (3) Bureau;
 - (4) Board of Regents of the University of Nevada;
 - (5) Board of trustees of each school district; and
 - (6) Governing body of each charter school.
4. The board of trustees of each school district and the governing body of each charter school shall ensure that the parents and guardians of pupils enrolled in the school district or charter school, as applicable, have sufficient information concerning the availability of the summary prepared by the State Board pursuant to subsection 1, including, without limitation, information that describes how to access the summary on the Internet website maintained by the Department. Upon the request of a parent or guardian of a pupil, the Department shall provide the parent or guardian with a written copy of the summary.

5. The Department shall, in consultation with the Bureau and the school districts, prescribe a form for the summary required by this section.

Sec. 4. NRS 385.347 is hereby amended to read as follows:

385.347 1. The board of trustees of each school district in this State, in cooperation with associations recognized by the State Board as representing licensed *educational* personnel ~~in education~~ in the district, shall adopt a program providing for the accountability of the school district to the residents of the district and to the State Board for the quality of the schools and the educational achievement of the pupils in the district, including, without limitation, pupils enrolled in charter schools in the school district. The board of trustees of each school district shall ~~;~~

~~(a) Report~~ report the information required by subsection 2 for each charter school that is located within the school district, regardless of the sponsor of the charter school.

~~{(b) For the information that is reported in an aggregated format, include the data that is applicable to}~~ *The information for charter schools must be reported separately and must denote the charter schools sponsored by the school district* ~~{but not the charter schools that are sponsored by the State Board}~~.

~~(c) Denote separately in the report those charter schools that are located within the school district}~~ *and the charter schools* sponsored by the State Board.

2. The board of trustees of each school district shall, on or before August 15 of each year, prepare an annual report of accountability concerning:

(a) The educational goals and objectives of the school district.

(b) Pupil achievement for each school in the district and the district as a whole, including, without limitation, each charter school in the district. The board of trustees of the district shall base its report on the results of the examinations administered pursuant to NRS 389.015 and 389.550 and shall compare the results of those examinations for the current school year with those of previous school years. The report must include, for each school in the district, including, without limitation, each charter school in the district, and each grade in which the examinations were administered:

(1) The number of pupils who took the examinations . ~~{}~~

(2) A record of attendance for the period in which the examinations were administered, including an explanation of any difference in the number of pupils who took the examinations and the number of pupils who are enrolled in the school . ~~{}~~

(3) Except as otherwise provided in this paragraph, pupil achievement, reported separately by gender and reported separately for the following ~~{subgroups}~~ groups of pupils:

(I) Pupils who are economically disadvantaged, as defined by the State Board;

(II) Pupils from major racial and ethnic groups, as defined by the State Board;

(III) Pupils with disabilities;

(IV) Pupils who are limited English proficient; and

(V) Pupils who are migratory children, as defined by the State Board . ~~{}~~

(4) A comparison of the achievement of pupils in each ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361 with the annual measurable objectives of the State Board . ~~{}~~

(5) The percentage of pupils who were not tested . ~~{}~~

(6) Except as otherwise provided in this paragraph, the percentage of pupils who were not tested, reported separately by gender and reported separately for the ~~{subgroups}~~ groups identified in subparagraph (3) . ~~{}~~

(7) The most recent 3-year trend in pupil achievement in each subject area tested and each grade level tested pursuant to NRS 389.015 and 389.550, which may include information regarding the trend in the achievement of pupils for more than 3 years, if such information is available . ~~{}~~

(8) Information that compares the results of pupils in the school district, including, without limitation, pupils enrolled in charter schools in the district, with the results of pupils throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison . ~~{and}~~

(9) For each school in the district, including, without limitation, each charter school in the district, information that compares the results of pupils in the school with the results of pupils

throughout the school district and throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

➡ A separate reporting for a ~~{subgroup}~~ group of pupils must not be made pursuant to this paragraph if the number of pupils in that ~~{subgroup}~~ group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual pupil. The State Board shall prescribe the mechanism for determining the minimum number of pupils that must be in a ~~{subgroup}~~ group for that ~~{subgroup}~~ group to yield statistically reliable information.

(c) The ratio of pupils to teachers in kindergarten and at each grade level for each elementary school in the district and the district as a whole, including, without limitation, each charter school in the district, and the average class size for each core academic subject, as set forth in NRS 389.018, for each secondary school in the district and the district as a whole, including, without limitation, each charter school in the district.

(d) Information on the professional qualifications of teachers employed by each school in the district and the district as a whole, including, without limitation, each charter school in the district. The information must include, without limitation:

(1) The percentage of teachers who are:

(I) Providing instruction pursuant to NRS 391.125;

(II) Providing instruction pursuant to a waiver of the requirements for licensure for the grade level or subject area in which the teachers are employed; or

(III) Otherwise providing instruction without an endorsement for the subject area in which the teachers are employed;

(2) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, that are not taught by highly qualified teachers;

(3) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, that are not taught by highly qualified teachers, in the aggregate and disaggregated by high-poverty compared to low-poverty schools, which for the purposes of this subparagraph means schools in the top quartile of poverty and the bottom quartile of poverty in this State;

(4) For each middle school, junior high school and high school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level and subject area; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level and subject area; and

(5) For each elementary school:

(I) On and after July 1, 2005, the number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level; and

(II) On and after July 1, 2006, the number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level.

(e) The total expenditure per pupil for each school in the district and the district as a whole, including, without limitation, each charter school in the district. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school district shall use that statewide program in complying with this paragraph. If a statewide program is not available, each school district shall use its own financial analysis program in complying with this paragraph.

(f) The curriculum used by the school district, including:

(1) Any special programs for pupils at an individual school; and

(2) The curriculum used by each charter school in the district.

(g) Records of the attendance and truancy of pupils in all grades, including, without limitation:

(1) The average daily attendance of pupils, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(2) For each elementary school, middle school and junior high school in the district, including, without limitation, each charter school in the district that provides instruction to pupils enrolled in a grade level other than high school, information that compares the attendance of the pupils enrolled in the school with the attendance of pupils throughout the district and throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

(h) The annual rate of pupils who drop out of school in *grade 8 and a separate reporting of the annual rate of pupils who drop out of school in grades 9 to 12, inclusive*, for each such grade, for each school in the district and for the district as a whole. ~~[-excluding] The reporting for pupils in grades 9 to 12, inclusive, excludes~~ pupils who:

(1) Provide proof to the school district of successful completion of the examinations of general educational development.

(2) Are enrolled in courses that are approved by the Department as meeting the requirements for an adult standard diploma.

(3) Withdraw from school to attend another school.

(i) Records of attendance of teachers who provide instruction, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(j) Efforts made by the school district and by each school in the district, including, without limitation, each charter school in the district, to increase:

(1) Communication with the parents of pupils in the district; and

(2) The participation of parents in the educational process and activities relating to the school district and each school, including, without limitation, the existence of parent organizations and school advisory committees.

(k) Records of incidents involving weapons or violence for each school in the district, including, without limitation, each charter school in the district.

(l) Records of incidents involving the use or possession of alcoholic beverages or controlled substances for each school in the district, including, without limitation, each charter school in the district.

(m) Records of the suspension and expulsion of pupils required or authorized pursuant to NRS 392.466 and 392.467.

(n) The number of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(o) The number of pupils in each grade who are retained in the same grade pursuant to NRS 392.033 or 392.125, for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(p) The transiency rate of pupils for each school in the district and the district as a whole, including, without limitation, each charter school in the district. For the purposes of this paragraph, a pupil is not transient if he is transferred to a different school within the school district as a result of a change in the zone of attendance by the board of trustees of the school district pursuant to NRS 388.040.

(q) Each source of funding for the school district.

(r) A compilation of the programs of remedial study that are purchased in whole or in part with money received from this State, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district. The compilation must include:

(1) The amount and sources of money received for programs of remedial study for each school in the district and the district as a whole, including, without limitation, each charter school in the district.

(2) An identification of each program of remedial study, listed by subject area.

(s) For each high school in the district, including, without limitation, each charter school in the district, the percentage of pupils who graduated from that high school or charter school in the

immediately preceding year and enrolled in remedial courses in reading, writing or mathematics at a university, state college or community college within the Nevada System of Higher Education.

(t) The technological facilities and equipment available at each school, including, without limitation, each charter school, and the district's plan to incorporate educational technology at each school.

(u) For each school in the district and the district as a whole, including, without limitation, each charter school in the district, the number and percentage of pupils who received:

(1) A standard high school diploma ~~(1)~~, *reported separately for pupils who received the diploma pursuant to:*

(I) Paragraph (a) of subsection 1 of section 4 of Senate Bill No. 312 of this session; and

(II) Paragraph (b) of subsection 1 of section 4 of Senate Bill No. 312 of this session.

(2) An adjusted diploma.

(3) A certificate of attendance.

(v) For each school in the district and the district as a whole, including, without limitation, each charter school in the district, the number and percentage of pupils who ~~(did not receive a high school diploma because the pupils)~~ failed to pass the high school proficiency examination.

(w) The number of habitual truants who are reported to a school police officer or law enforcement agency pursuant to paragraph (a) of subsection 2 of NRS 392.144 and the number of habitual truants who are referred to an advisory board to review school attendance pursuant to paragraph (b) of subsection 2 of NRS 392.144, for each school in the district and for the district as a whole.

(x) The amount and sources of money received for the training and professional development of teachers and other educational personnel for each school in the district and for the district as a whole, including, without limitation, each charter school in the district.

(y) Whether the school district has made adequate yearly progress. If the school district has been designated as demonstrating need for improvement pursuant to NRS 385.377, the report must include a statement indicating the number of consecutive years the school district has carried that designation.

(z) Information on whether each public school in the district, including, without limitation, each charter school in the district, has made adequate yearly progress, including, without limitation:

(1) The number and percentage of schools in the district, if any, that have been designated as needing improvement pursuant to NRS 385.3623; and

(2) The name of each school, if any, in the district that has been designated as needing improvement pursuant to NRS 385.3623 and the number of consecutive years that the school has carried that designation.

(aa) Information on the paraprofessionals employed by each public school in the district, including, without limitation, each charter school the district. The information must include:

(1) The number of paraprofessionals employed at the school; and

(2) The number and percentage of all paraprofessionals who do not satisfy the qualifications set forth in 20 U.S.C. § 6319(c). The reporting requirements of this subparagraph apply to paraprofessionals who are employed in positions supported with Title I money and to paraprofessionals who are not employed in positions supported with Title I money.

(bb) For each high school in the district, including, without limitation, each charter school that operates as a high school, information that provides a comparison of the rate of graduation of pupils enrolled in the high school with the rate of graduation of pupils throughout the district and throughout this State. The information required by this paragraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

(cc) An identification of the appropriations made by the Legislature that are available to the school district or the schools within the district and programs approved by the Legislature to improve the academic achievement of pupils.

(dd) Such other information as is directed by the Superintendent of Public Instruction.

3. The records of attendance maintained by a school for purposes of paragraph (i) of subsection 2 must include the number of teachers who are in attendance at school and the number of teachers who are absent from school. A teacher shall be deemed in attendance if the

teacher is excused from being present in the classroom by the school in which he is employed for one of the following reasons:

(a) Acquisition of knowledge or skills relating to the professional development of the teacher; or

(b) Assignment of the teacher to perform duties for cocurricular or extracurricular activities of pupils.

4. The annual report of accountability prepared pursuant to subsection 2 must:

(a) Comply with 20 U.S.C. § 6311(h)(2) and the regulations adopted pursuant thereto; and

(b) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents can understand.

5. The Superintendent of Public Instruction shall:

(a) Prescribe forms for the reports required pursuant to subsection 2 and provide the forms to the respective school districts.

(b) Provide statistical information and technical assistance to the school districts to ensure that the reports provide comparable information with respect to each school in each district and among the districts throughout this State.

(c) Consult with a representative of the:

(1) Nevada State Education Association;

(2) Nevada Association of School Boards;

(3) Nevada Association of School Administrators;

(4) Nevada Parent Teacher Association;

(5) Budget Division of the Department of Administration; and

(6) Legislative Counsel Bureau,

↪ concerning the program and consider any advice or recommendations submitted by the representatives with respect to the program.

6. The Superintendent of Public Instruction may consult with representatives of parent groups other than the Nevada Parent Teacher Association concerning the program and consider any advice or recommendations submitted by the representatives with respect to the program.

7. On or before August 15 of each year, the board of trustees of each school district shall submit to each advisory board to review school attendance created in the county pursuant to NRS 392.126 the information required in paragraph (g) of subsection 2.

8. On or before August 15 of each year, the board of trustees of each school district shall:

(a) Provide written notice that the report required pursuant to subsection 2 is available on the Internet website maintained by the school district, if any, or otherwise provide written notice of the availability of the report. The written notice must be provided to the:

(1) Governor;

(2) State Board;

(3) Department;

(4) Committee; and

(5) Bureau.

(b) Provide for public dissemination of the annual report of accountability prepared pursuant to subsection 2 in the manner set forth in 20 U.S.C. § 6311(h)(2)(E) by posting a copy of the report on the Internet website maintained by the school district, if any. If a school district does not maintain a website, the district shall otherwise provide for public dissemination of the annual report by providing a copy of the report to the schools in the school district, including, without limitation, each charter school in the district, the residents of the district, and the parents and guardians of pupils enrolled in schools in the district, including, without limitation, each charter school in the district.

9. Upon the request of the Governor, an entity described in paragraph (a) of subsection 8 or a member of the general public, the board of trustees of a school district shall provide a portion or portions of the report required pursuant to subsection 2.

10. As used in this section:

(a) "Highly qualified" has the meaning ascribed to it in 20 U.S.C. § 7801(23).

(b) "Paraprofessional" has the meaning ascribed to it in NRS 391.008.

Sec. 5. NRS 385.348 is hereby amended to read as follows:

385.348 1. The board of trustees of each school district shall, in consultation with the employees of the school district, prepare a plan to improve the achievement of pupils enrolled in the school district, excluding pupils who are enrolled in charter schools located in the school district. If the school district is a Title I school district designated as demonstrating need for improvement pursuant to NRS 385.377, the plan must also be prepared in consultation with parents and guardians of pupils enrolled in the school district and other persons who the board of trustees determines are appropriate.

2. Except as otherwise provided in this subsection, the plan must include the items set forth in 20 U.S.C. § 6316(c)(7) and the regulations adopted pursuant thereto. If a school district has not been designated as demonstrating need for improvement pursuant to NRS 385.377, the board of trustees of the school district is not required to include those items set forth in 20 U.S.C. § 6316(c)(7) and the regulations adopted pursuant thereto that directly relate to the status of a school district as needing improvement.

3. In addition to the requirements of subsection 2, a plan to improve the achievement of pupils enrolled in a school district must include:

(a) A review and analysis of the data upon which the report required pursuant to subsection 2 of NRS 385.347 is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors at individual schools that are revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as set forth in NRS 389.018.

(d) Strategies to improve the academic achievement of pupils enrolled in the school district, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

(I) The curriculum appropriate to improve achievement;

(II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS 389.015 and 389.550; and

(III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each ~~(subgroup)~~ group identified in paragraph (b) of subsection 1 of NRS 385.361;

(2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;

(3) Integrate technology into the instructional and administrative programs of the school district;

(4) Manage effectively the discipline of pupils; and

(5) Enhance the professional development offered for the teachers and administrators employed by the school district to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of the pupils enrolled in the school district, as deemed appropriate by the board of trustees of the school district.

(e) An identification, by category, of the employees of the school district who are responsible for ensuring that each provision of the plan is carried out effectively.

(f) In consultation with the Department, an identification, by category, of the employees of the Department, if any, who are responsible for overseeing and monitoring whether the plan is carried out effectively.

(g) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.

(h) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.

(i) Strategies to improve the allocation of resources from the school district, by program and by school, in a manner that will improve the academic achievement of pupils. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school district shall use that statewide program in complying with this

paragraph. If a statewide program is not available, each school district shall use its own financial analysis program in complying with this paragraph.

(j) Based upon the reallocation of resources set forth in paragraph (i), the resources available to the school district to carry out the plan, including, without limitation, a budget of the overall cost for carrying out the plan.

(k) A summary of the effectiveness of appropriations made by the Legislature that are available to the school district or the schools within the school district to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

(l) An identification of the programs, practices and strategies that are used throughout the school district and by the schools within the school district that have proven successful in improving the achievement and proficiency of pupils, including, without limitation:

(1) An identification of each school that carries out such a program, practice or strategy;

(2) An indication of which programs, practices and strategies are carried out throughout the school district and which programs, practices and strategies are carried out by individual schools;

(3) The extent to which the programs, practices and strategies include methods to improve the achievement and proficiency of pupils in each ~~subgroup~~ group identified in paragraph (b) of subsection 1 of NRS 385.361; and

(4) A description of how the school district disseminates information concerning the successful programs, practices and strategies to all schools within the school district.

4. The board of trustees of each school district shall:

(a) Review the plan prepared pursuant to this section annually to evaluate the effectiveness of the plan; and

(b) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that the plan is designed to improve the academic achievement of pupils enrolled in the school district.

5. On or before December 15 of each year, the board of trustees of each school district shall submit the plan or the revised plan, as applicable, to the:

(a) Superintendent of Public Instruction;

(b) Governor;

(c) State Board;

(d) Department;

(e) Committee; and

(f) Bureau.

Sec. 6. NRS 385.349 is hereby amended to read as follows:

385.349 1. The board of trustees of each school district shall prepare a summary of the annual report of accountability prepared pursuant to NRS 385.347 on the form prescribed by the Department pursuant to subsection 3 or an expanded form, as applicable. The summary must include, without limitation:

(a) The information set forth in subsection 1 of NRS 385.34692, reported for the school district as a whole and for each school within the school district;

(b) Information on the involvement of parents and legal guardians in the education of their children; and

(c) Other information required by the Superintendent of Public Instruction in consultation with the Bureau.

2. The summary prepared pursuant to subsection 1 must:

(a) Comply with 20 U.S.C. § 6311(h)(2) and the regulations adopted pursuant thereto; and

(b) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents will likely understand.

3. The Department shall, in consultation with the Bureau and the school districts, prescribe a form that contains the basic information required by subsection 1. The board of trustees of a school district may use an expanded form that contains additions to the form prescribed by the Department if the basic information contained in the expanded form complies with the form prescribed by the Department.

4. On or before September 7 of each year, the board of trustees of each school district shall:

(a) Submit the summary in an electronic format to the:

- (1) Governor;
- (2) State Board;
- (3) Department;
- (4) Committee;
- (5) Bureau; and
- (6) Schools within the school district.

(b) Provide for the public dissemination of the summary by posting a copy of the summary on the Internet website maintained by the school district, if any. If a school district does not maintain a website, the district shall otherwise provide for public dissemination of the summary. The board of trustees of each school district shall ensure that the parents and guardians of pupils enrolled in the school district have sufficient information concerning the availability of the summary, including, without limitation, information that describes how to access the summary on the Internet website maintained by the school district, if any. Upon the request of a parent or legal guardian, the school district shall provide the parent or legal guardian with a written copy of the summary.

5. The board of trustees of each school district shall ~~for~~:

~~(a) Report~~ report the information required by this section for each charter school that is located within the school district, regardless of the sponsor of the charter school.

~~[(b) For the information that is reported in an aggregated format, include the data that is applicable to] The information for charter schools must be reported separately and must denote the charter schools sponsored by the school district [but not the charter schools that are sponsored by the State Board.~~

~~(c) Denote separately in the report those charter schools that are located within the school district] and the charter schools sponsored by the State Board.~~

Sec. 7. NRS 385.357 is hereby amended to read as follows:

385.357 1. The principal of each school, including, without limitation, each charter school, shall, in consultation with the employees of the school, prepare a plan to improve the achievement of the pupils enrolled in the school.

2. The plan developed pursuant to subsection 1 must include:

(a) A review and analysis of the data pertaining to the school upon which the report required pursuant to subsection 2 of NRS 385.347 is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors at the school that are revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as defined in NRS 389.018.

(d) Policies and practices concerning the core academic subjects which have the greatest likelihood of ensuring that each ~~[subgroup]~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school will make adequate yearly progress and meet the minimum level of proficiency prescribed by the State Board.

(e) Annual measurable objectives, consistent with the annual measurable objectives established by the State Board pursuant to NRS 385.361, for the continuous and substantial progress by each ~~[subgroup]~~ group of pupils identified in paragraph (b) of subsection 1 of that section who are enrolled in the school to ensure that each ~~[subgroup]~~ group will make adequate yearly progress and meet the level of proficiency prescribed by the State Board.

(f) Strategies, consistent with the policy adopted pursuant to NRS 392.457 by the board of trustees of the school district in which the school is located, to promote effective involvement by parents and families of pupils enrolled in the school in the education of their children.

(g) As appropriate, programs of remedial education or tutoring to be offered before and after school, during the summer, or between sessions if the school operates on a year-round calendar for pupils enrolled in the school who need additional instructional time to pass or to reach a level considered proficient.

(h) Strategies to improve the academic achievement of pupils enrolled in the school, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

- (I) The curriculum appropriate to improve achievement;
 - (II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS 389.015 and 389.550; and
 - (III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361;
- (2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;
- (3) Integrate technology into the instructional and administrative programs of the school;
 - (4) Manage effectively the discipline of pupils; and
 - (5) Enhance the professional development offered for the teachers and administrators employed at the school to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of pupils enrolled in the school, as deemed appropriate by the principal.
- (i) An identification, by category, of the employees of the school who are responsible for ensuring that the plan is carried out effectively.
 - (j) In consultation with the school district or governing body, as applicable, an identification, by category, of the employees of the school district or governing body, if any, who are responsible for ensuring that the plan is carried out effectively or for overseeing and monitoring whether the plan is carried out effectively.
 - (k) In consultation with the Department, an identification, by category, of the employees of the Department, if any, who are responsible for overseeing and monitoring whether the plan is carried out effectively.
 - (l) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.
 - (m) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.
 - (n) The resources available to the school to carry out the plan. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school shall use that statewide program in complying with this paragraph. If a statewide program is not available, each school shall use the financial analysis program used by the school district in which the school is located in complying with this paragraph.
 - (o) A summary of the effectiveness of appropriations made by the Legislature that are available to the school to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.
 - (p) A budget of the overall cost for carrying out the plan.
3. In addition to the requirements of subsection 2, if a school has been designated as demonstrating need for improvement pursuant to NRS 385.3623, the plan must comply with 20 U.S.C. § 6316(b)(3) and the regulations adopted pursuant thereto.
4. Except as otherwise provided in subsection 5, the principal of each school shall, in consultation with the employees of the school:
- (a) Review the plan prepared pursuant to this section annually to evaluate the effectiveness of the plan; and
 - (b) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that the plan is designed to improve the academic achievement of pupils enrolled in the school.
5. If a school has been designated as demonstrating need for improvement pursuant to NRS 385.3623 ~~{the technical assistance partnership or the}~~ and a support team has been established for the school, ~~{as applicable,}~~ the support team shall review the plan and make revisions to the most recent plan for improvement of the school pursuant to NRS ~~{385.3692 or 385.3741, as applicable,}~~ 385.3741. If the school is a Title I school that has been designated as demonstrating need for improvement, the ~~{technical assistance partnership or}~~ support team established for the school ~~{as applicable,}~~ shall, in making revisions to the plan, work in consultation with parents and guardians of pupils enrolled in the school and, to the extent deemed appropriate by the entity responsible for creating the ~~{partnership or}~~ support team, outside experts.

6. On or before November 1 of each year, the principal of each school ~~[or the technical assistance partnership]~~ or the support team established for the school, as applicable, shall submit the plan or the revised plan, as applicable, to:

(a) If the school is a public school of the school district, the superintendent of schools of the school district.

(b) If the school is a charter school, the governing body of the charter school.

7. If a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623, the superintendent of schools of the school district or the governing body, as applicable, shall carry out a process for peer review of the plan or the revised plan, as applicable, in accordance with 20 U.S.C. § 6316(b)(3)(E) and the regulations adopted pursuant thereto. Not later than 45 days after receipt of the plan, the superintendent of schools of the school district or the governing body, as applicable, shall approve the plan or the revised plan, as applicable, if it meets the requirements of 20 U.S.C. § 6316(b)(3) and the regulations adopted pursuant thereto and the requirements of this section. The superintendent of schools of the school district or the governing body, as applicable, may condition approval of the plan or the revised plan, as applicable, in the manner set forth in 20 U.S.C. § 6316(b)(3)(B) and the regulations adopted pursuant thereto. The State Board shall prescribe the requirements for the process of peer review, including, without limitation, the qualifications of persons who may serve as peer reviewers.

8. If a school is designated as demonstrating exemplary achievement, high achievement or adequate achievement, or if a school that is not a Title I school is designated as demonstrating need for improvement, not later than 45 days after receipt of the plan or the revised plan, as applicable, the superintendent of schools of the school district or the governing body, as applicable, shall approve the plan or the revised plan if it meets the requirements of this section.

9. On or before December 15 of each year, the principal of each school ~~[or the technical assistance partnership]~~ or the support team established for the school, as applicable, shall submit the final plan or the final revised plan, as applicable, to the:

(a) Superintendent of Public Instruction;

(b) Governor;

(c) State Board;

(d) Department;

(e) Committee;

(f) Bureau; and

(g) Board of trustees of the school district in which the school is located.

10. A plan for the improvement of a school must be carried out expeditiously, but not later than January 1 after approval of the plan pursuant to subsection 7 or 8, as applicable.

Sec. 8. NRS 385.3613 is hereby amended to read as follows:

385.3613 1. Except as otherwise provided in subsection 2, on or before June 15 of each year, the Department shall determine whether each public school is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361.

2. On or before June 30 of each year, the Department shall determine whether each public school that operates on a schedule other than a traditional 9-month schedule is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361.

3. The determination pursuant to subsection 1 or 2, as applicable, for a public school, including, without limitation, a charter school sponsored by the board of trustees of the school district, must be made in consultation with the board of trustees of the school district in which the public school is located. If a charter school is sponsored by the State Board, the Department shall make a determination for the charter school in consultation with the State Board. The determination made for each school must be based only upon the information and data for those pupils who are enrolled in the school for a full academic year. On or before June 15 or June 30 of each year, as applicable, the Department shall transmit:

(a) Except as otherwise provided in paragraph (b), the determination made for each public school to the board of trustees of the school district in which the public school is located.

(b) To the State Board the determination made for each charter school that is sponsored by the State Board.

4. Except as otherwise provided in this subsection, the Department shall determine that a public school has failed to make adequate yearly progress if any ~~(subgroup)~~ group identified in

paragraph (b) of subsection 1 of NRS 385.361 does not satisfy the annual measurable objectives established by the State Board pursuant to that section. To comply with 20 U.S.C. § 6311(b)(2)(I) and the regulations adopted pursuant thereto, the State Board shall prescribe by regulation the conditions under which a school shall be deemed to have made adequate yearly progress even though a ~~{subgroup}~~ group identified in paragraph (b) of subsection 1 of NRS 385.361 did not satisfy the annual measurable objectives of the State Board.

5. In addition to the provisions of subsection 4, the Department shall determine that a public school has failed to make adequate yearly progress if:

(a) The number of pupils enrolled in the school who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils enrolled in the school who were required to take the examinations; or

(b) Except as otherwise provided in subsection 6, for each ~~{subgroup}~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361, the number of pupils in the ~~{subgroup}~~ group enrolled in the school who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils in that ~~{subgroup}~~ group enrolled in the school who were required to take the examinations.

6. If the number of pupils in a particular ~~{subgroup}~~ group who are enrolled in a public school is insufficient to yield statistically reliable information:

(a) The Department shall not determine that the school has failed to make adequate yearly progress pursuant to paragraph (b) of subsection 5 based solely upon that particular ~~{subgroup}~~ group.

(b) The pupils in such a ~~{subgroup}~~ group must be included in the overall count of pupils enrolled in the school who took the examinations.

➤ The State Board shall prescribe the mechanism for determining the number of pupils that must be in a ~~{subgroup}~~ group for that ~~{subgroup}~~ group to yield statistically reliable information.

7. If an irregularity in testing administration or an irregularity in testing security occurs at a school and the irregularity invalidates the test scores of pupils, those test scores must be included in the scores of pupils reported for the school, the attendance of those pupils must be counted towards the total number of pupils who took the examinations and the pupils must be included in the total number of pupils who were required to take the examinations.

8. As used in this section:

(a) "Irregularity in testing administration" has the meaning ascribed to it in NRS 389.604.

(b) "Irregularity in testing security" has the meaning ascribed to it in NRS 389.608.

Sec. 9. NRS 385.3661 is hereby amended to read as follows:

385.3661 1. ~~{If a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply, the technical assistance partnership established for the school pursuant to this section shall carry out the requirements of NRS 385.3692.}~~

~~2.}~~ Except as otherwise provided in subsection ~~{3.}~~ 2, if a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply, the board of trustees of the school district shall:

(a) Provide notice of the designation to the parents and guardians of pupils enrolled in the school on the form prescribed by the Department pursuant to NRS 385.382; and

(b) Ensure that the school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto . ~~{; and}~~

~~{(c) Establish a technical assistance partnership for the school, with the membership prescribed pursuant to NRS 385.3691.}~~

~~3.}~~ 2. If a charter school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply:

(a) The governing body of the charter school shall ~~{;}~~

~~{(1) Provide}~~ provide notice of the designation to the parents and guardians of pupils enrolled in the charter school on the form prescribed by the Department pursuant to NRS 385.382 . ~~{; and}~~

~~(2) Establish a technical assistance partnership for the charter school, with the membership prescribed pursuant to NRS 385.3691.]~~

(b) For a charter school sponsored by the board of trustees of a school district, the board of trustees shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto. ~~[The provisions of this paragraph do not require the school district to pay for the technical assistance partnership established by the governing body of the charter school.]~~

(c) For a charter school sponsored by the State Board, the Department shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto.

~~[4.]~~ 3. In addition to the requirements of subsection ~~[2 or 3]~~ 1 or 2, as applicable, if a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623 and the provisions of NRS 385.3693, 385.3721 or 385.3745 do not apply:

(a) Except as otherwise provided in paragraph (b), the board of trustees of the school district shall provide school choice to the parents and guardians of pupils enrolled in the school, including, without limitation, a charter school sponsored by the school district, in accordance with 20 U.S.C. § 6316(b)(1) and the regulations adopted pursuant thereto.

(b) For a charter school sponsored by the State Board, the Department shall work cooperatively with the board of trustees of the school district in which the charter school is located to provide school choice to the parents and guardians of pupils enrolled in the charter school in accordance with 20 U.S.C. § 6316(b)(1) and the regulations adopted pursuant thereto.

Sec. 10. NRS 385.3693 is hereby amended to read as follows:

385.3693 1. ~~[If a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 2 consecutive years, the technical assistance partnership established for the school pursuant to NRS 385.3661 shall carry out the requirements of NRS 385.3692.]~~

~~2.]~~ Except as otherwise provided in subsection ~~[3.]~~ 2, if a public school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 2 consecutive years, the board of trustees of the school district shall:

(a) Provide notice of the designation to the parents and guardians of pupils enrolled in the school on the form prescribed by the Department pursuant to NRS 385.382; *and*

(b) Ensure that the school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto. ~~[; and~~

~~(c) Continue the technical assistance partnership for the school.]~~

~~3.]~~ 2. If a charter school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 2 consecutive years:

(a) The governing body of the charter school shall ~~[-~~

~~(1) Provide] provide~~ notice of the designation to the parents and guardians of pupils enrolled in the school on the form prescribed by the Department pursuant to NRS 385.382. ~~[-~~ *and*

~~(2) Continue the technical assistance partnership for the school.]~~

(b) For a charter school sponsored by the board of trustees of a school district, the board of trustees shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto. ~~[The provisions of this paragraph do not require the school district to pay for the technical assistance partnership established by the governing body of the charter school.]~~

(c) For a charter school sponsored by the State Board, the Department shall, in conjunction with the governing body of the charter school, ensure that the charter school receives technical assistance in the manner set forth in 20 U.S.C. § 6316(b)(4) and the regulations adopted pursuant thereto.

Sec. 11. NRS 385.374 is hereby amended to read as follows:

385.374 1. The membership of each support team established pursuant to NRS 385.3721 ~~[-~~

4. ~~Must~~ *must* consist of, without limitation:

- (a) Teachers and principals who are considered highly qualified and who are not employees of the public school for which the support team is established;
- (b) ~~[At least one representative of the Department.]~~ *One member appointed in accordance with subsection 3, who must serve as the ~~[facilitator]~~ team leader of the support team;*
- (c) Except for a charter school, at least one administrator at the district level who is employed by the board of trustees of the school district;
- (d) At least one parent or guardian of a pupil who is enrolled in the public school for which the support team is established; and
- (e) In addition to the requirements of paragraphs (a) to (d), inclusive, for a charter school:
 - (1) At least one member of the governing body of the charter school, regardless of the sponsor of the charter school; and
 - (2) If the charter school is sponsored by the board of trustees of a school district, at least one employee of the school district, which may include an administrator.

2. ~~[May]~~ *The membership of each support team established pursuant to NRS 385.3721 may consist of, without limitation:*

- (a) Except for a charter school, one or more members of the board of trustees of the school district in which the school is located;
- (b) Representatives of institutions of higher education;
- (c) Representatives of regional educational laboratories;
- (d) Representatives of outside consultant groups;
- (e) Representatives of the regional training program for the professional development of teachers and administrators created by NRS 391.512 that provides services to the school district in which the school is located;
- (f) The Bureau; and
- (g) Other persons who the Department determines are appropriate.

3. *The member appointed pursuant to paragraph (b) of subsection 1 must:*

- (a) *Be employed by the Department; or*
- (b) *If he is not employed by the Department, have the training and experience required by the Department.*

Sec. 12. NRS 385.3741 is hereby amended to read as follows:

385.3741 1. Each support team established for a public school pursuant to NRS 385.3721 shall:

- (a) Review and analyze the operation of the school, including, without limitation, the design and operation of the instructional program of the school.
- (b) Review and analyze the data pertaining to the school upon which the report required pursuant to subsection 2 of NRS 385.347 is based and review and analyze any data that is more recent than the data upon which the report is based.
- (c) Review the most recent plan to improve the achievement of the school's pupils.
- (d) Identify and investigate the problems and factors at the school that contributed to the designation of the school as demonstrating need for improvement.
- (e) Assist the school in developing recommendations for improving the performance of pupils who are enrolled in the school.
- (f) Except as otherwise provided in this paragraph, make recommendations to the board of trustees of the school district, the State Board and the Department concerning additional assistance for the school in carrying out the plan for improvement of the school. For a charter school sponsored by the State Board, the support team shall make the recommendations to the State Board and the Department.

(g) In accordance with its findings pursuant to this section and NRS 385.3742, submit, on or before November 1, written revisions to the most recent plan to improve the achievement of the school's pupils for approval pursuant to NRS 385.357. The written revisions must:

- (1) Comply with NRS 385.357;
- (2) If the school is a Title I school, be developed in consultation with parents and guardians of pupils enrolled in the school and, to the extent deemed appropriate by the entity that created the support team, outside experts;
- (3) Include the data and findings of the support team that provide support for the revisions;

- (4) Set forth goals, objectives, tasks and measures for the school that are:
 - (I) Designed to improve the achievement of the school's pupils;
 - (II) Specific;
 - (III) Measurable; and
 - (IV) Conducive to reliable evaluation;
- (5) Set forth a timeline to carry out the revisions;
- (6) Set forth priorities for the school in carrying out the revisions; and
- (7) Set forth the names and duties of each person who is responsible for carrying out the revisions.

(h) Except as otherwise provided in this paragraph, work cooperatively with the board of trustees of the school district in which the school is located, the employees of the school, and the parents and guardians of pupils enrolled in the school to carry out and monitor the plan for improvement of the school. If a charter school is sponsored by the State Board, the Department shall assist the school with carrying out and monitoring the plan for improvement of the school.

(i) Prepare a ~~monthly~~ quarterly progress report in the format prescribed by the Department and:

- (1) Submit the progress report to the Department.
- (2) Distribute copies of the progress report to each employee of the school for review.

(j) In addition to the requirements of this section, if the support team is established for a Title I school, carry out the requirements of 20 U.S.C. § 6317(a)(5).

2. A school support team may require the school for which the support team was established to submit plans, strategies, tasks and measures that, in the determination of the support team, will assist the school in improving the achievement and proficiency of pupils enrolled in the school.

3. The Department shall prescribe a concise ~~monthly~~ quarterly progress report for use by each support team in accordance with paragraph (i) of subsection 1.

Sec. 13. NRS 385.3744 is hereby amended to read as follows:

385.3744 1. Except as otherwise provided in subsection ~~{2,}~~ 3, if a public school that is not a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 3 consecutive years for failing to make adequate yearly progress, the support team established for the school shall consider whether corrective action is appropriate for the school. If the support team determines that corrective action is appropriate, the support team shall make a recommendation ~~{to the Department}~~ for corrective action for the school, including, without limitation, the type of corrective action that is recommended from the list of corrective actions authorized pursuant to ~~{paragraphs (a), (b) and (c)}~~ subsection 2. *The recommendation must be submitted to:*

(a) For a school of the school district or a charter school sponsored by the board of trustees of the school district, the board of trustees.

(b) For a charter school sponsored by the State Board, the Department.

2. Regardless of whether a support team recommends corrective action for a school, the Department ~~may, for a charter school sponsored by the State Board, and the board of trustees of a school district may, for a school of the school district or a charter school sponsored by the board of trustees,~~ take one or more of the following corrective actions for the school:

(a) Develop and carry out a new curriculum at the school, including the provision of appropriate professional development relating to the new curriculum.

(b) ~~{Decrease the number}~~ *Significantly decrease the managerial authority of the employees at the school. {who carry out managerial duties.}*

(c) Extend the school year or the school day.

~~{2,}~~ 3. The Department *or the board of trustees of a school district, as applicable,* shall grant a delay from the imposition of corrective action for a school for a period not to exceed 1 year if the school qualifies for a delay in the manner set forth in 20 U.S.C. § 6316(b)(7)(D). If the school fails to make adequate yearly progress during the period of the delay, the Department *or the board of trustees, as applicable,* may proceed with corrective action as if the delay never occurred.

Sec. 14. NRS 385.376 is hereby amended to read as follows:

385.376 1. Except as otherwise provided in subsection 2, if a public school that is not a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623 for 4 or more consecutive years for failure to make adequate yearly progress, the support team for the school shall:

(a) If corrective action was not taken against the school pursuant to NRS 385.3744, consider whether corrective action is appropriate for the school.

(b) If corrective action was taken against the school pursuant to NRS 385.3744, consider whether further corrective action is appropriate or whether consequences or sanctions, or both, are appropriate for the school.

~~{2-}~~

2. Regardless of whether a support team recommends corrective action or consequences or sanctions for a school, the Department *may, for a charter school sponsored by the State Board, and the board of trustees of a school district may, for a school of the school district or a charter school sponsored by the board of trustees,* take corrective action as set forth in NRS 385.3744 or proceed with consequences or sanctions, or both, as prescribed by the State Board pursuant to NRS 385.361.

~~{2-}~~ 3. The Department *or the board of trustees of a school district, as applicable,* shall grant a delay from the imposition of corrective action or restructuring pursuant to this section for a school for a period not to exceed 1 year if the school qualifies for a delay in the manner set forth in 20 U.S.C. § 6316(b)(7)(D). If the school fails to make adequate yearly progress during the period of the delay, the Department *or the board of trustees, as applicable,* may proceed with corrective action or with consequences or sanctions, or both, for the school, as appropriate, as if the delay never occurred.

~~{2-}~~ 4. Before the *board of trustees or the* Department proceeds with consequences or sanctions, the board of trustees or the Department, as applicable, shall provide to the administrators, teachers and other educational personnel employed at that school, and parents and guardians of pupils enrolled in the school:

(a) Notice that the board of trustees or the Department, as applicable, will proceed with consequences or sanctions for the school;

(b) An opportunity to comment before the consequences or sanctions are carried out; and

(c) An opportunity to participate in the development of the consequences or sanctions.

Sec. 15. NRS 385.3762 is hereby amended to read as follows:

385.3762 1. On or before July 1 of each year, the Department shall determine whether each school district is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361. The pupils who are enrolled in a charter school, if any, located within a school district must not be included in the determination made for that school district. The determination made for each school district must be based only upon the information and data for those pupils who were enrolled in the school district for a full academic year, regardless of whether those pupils attended more than one school within the school district for that academic year.

2. Except as otherwise provided in this subsection, the Department shall determine that a school district has failed to make adequate yearly progress if any ~~{subgroup}~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school district does not satisfy the annual measurable objectives established by the State Board pursuant to that section. To comply with 20 U.S.C. § 6311(b)(2)(I) and the regulations adopted pursuant thereto, the State Board shall prescribe by regulation the conditions under which a school district shall be deemed to have made adequate yearly progress even though a ~~{subgroup}~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school district did not satisfy the annual measurable objectives of the State Board.

3. In addition to the provisions of subsection 2, the Department shall determine that a school district has failed to make adequate yearly progress if:

(a) The number of pupils enrolled in the school district who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils enrolled in the school district who were required to take the examinations; or

(b) Except as otherwise provided in subsection 4, for each ~~{subgroup}~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361, the number of pupils enrolled in the school district who took the examinations administered pursuant to NRS 389.550 or the high school proficiency examination, as applicable, is less than 95 percent of all pupils in the ~~{subgroup}~~ group who were required to take the examinations.

4. If the number of pupils in a particular ~~{subgroup}~~ group who are enrolled in a school district is insufficient to yield statistically reliable information:

(a) The Department shall not determine that the school district has failed to make adequate yearly progress pursuant to paragraph (b) of subsection 3 based solely upon that particular ~~{subgroup}~~ group.

(b) The pupils in such a ~~{subgroup}~~ group must be included in the overall count of pupils enrolled in the school district who took the examinations.

➤ The State Board shall prescribe the mechanism for determining the minimum number of pupils that must be in a ~~{subgroup}~~ group for that ~~{subgroup}~~ group to yield statistically reliable information.

Sec. 15.5. NRS 385.3785 is hereby amended to read as follows:

385.3785 1. The Commission shall:

(a) Establish a program of educational excellence designed exclusively for pupils enrolled in kindergarten through grade 6 in public schools in this State based upon:

(1) The plan to improve the achievement of pupils prepared by the State Board pursuant to NRS 385.34691;

(2) The plan to improve the achievement of pupils prepared by the board of trustees of each school district pursuant to NRS 385.348;

(3) The plan to improve the achievement of pupils prepared by the principal of each school pursuant to NRS 385.357, which may include a program of innovation; and

(4) Any other information that the Commission considers relevant to the development of the program of educational excellence.

(b) Identify programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

(c) Develop a concise application and simple procedures for the submission of applications by school districts and public schools, including, without limitation, charter schools, for participation in a program of educational excellence and for grants of money from the Account. Grants of money must be made for programs designed for the achievement of pupils that are linked to the plan to improve the achievement of pupils or for innovative programs, or both. All school districts and public schools, including, without limitation, charter schools, are eligible to submit such an application, regardless of whether the school district or school has made adequate yearly progress or failed to make adequate yearly progress. A school district or public school selected for participation may be approved by the Commission for participation for a period not to exceed 2 years, but may reapply.

(d) Prescribe a long-range timeline for the review, approval and evaluation of applications received from school districts and public schools that desire to participate in the program.

(e) Prescribe accountability measures to be carried out by a school district or public school that participates in the program if that school district or public school does not meet the annual measurable objectives established by the State Board pursuant to NRS 385.361, including, without limitation:

(1) The specific levels of achievement expected of school districts and schools that participate; and

(2) Conditions for school districts and schools that do not meet the grant criteria but desire to continue participation in the program and receive money from the Account, including, without limitation, a review of the leadership at the school and recommendations regarding changes to the appropriate body.

(f) Determine the amount of money that is available from the Account for those school districts and public schools that are selected to participate in the program.

(g) Allocate money to school districts and public schools from the Account. Allocations must be distributed not later than August 15 of each year.

(h) Establish criteria for school districts and public schools that participate in the program and receive an allocation of money from the Account to evaluate the effectiveness of the allocation in improving the achievement of pupils, including, without limitation, a detailed analysis of:

(1) The achievement of pupils enrolled at each school that received money from the allocation based upon measurable criteria identified in the plan to improve the achievement of pupils for the school prepared pursuant to NRS 385.357;

(2) If applicable, the achievement of pupils enrolled in the school district as a whole, based upon measurable criteria identified in the plan to improve the achievement of pupils for the school district prepared pursuant to NRS 385.348;

(3) If applicable, the effectiveness of the program of innovation on the achievement of pupils and the overall effectiveness for pupils and staff;

(4) The implementation of the applicable plans for improvement, including, without limitation, an analysis of whether the school district or the school is meeting the measurable objectives identified in the plan; and

(5) The attainment of measurable progress on the annual list of adequate yearly progress of school districts and schools.

2. To the extent money is available, the Commission shall make allocations of money to school districts and public schools for effective programs for grades 7 through 12 that are designed to improve the achievement of pupils and effective programs of innovation for pupils. In making such allocations, the Commission shall comply with the requirements of subsection 1.

3. *The Commission shall ensure, to the extent practicable, that grants of money provided pursuant to this section reflect the economic and geographic diversity of this State.* ~~*f the academic needs of pupils, any special academic interests of pupils and any other special concerns of pupils, including, without limitation, schools that have a large population of Native Americans.*~~

4. If a school district or public school that receives money pursuant to subsection 1 or 2 does not meet the criteria for effectiveness as prescribed in paragraph (h) of subsection 1 over a 2-year period, the Commission may consider not awarding future allocations of money to that school district or public school.

~~{4-}~~ 5. On or before July 1 of each year, the Department shall provide a list of priorities of schools based upon the adequate yearly progress status of schools in the immediately preceding year for consideration by the Commission in its development of procedures for the applications.

~~{5-}~~ 6. In carrying out the requirements of this section, the Commission shall review and consider the programs of remedial study adopted by the Department pursuant to NRS 385.389, the list of approved providers of supplemental services maintained by the Department pursuant to NRS 385.384 and the recommendations submitted by the Committee pursuant to NRS 218.5354 concerning programs, practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

Sec. 16. NRS 385.391 is hereby amended to read as follows:

385.391 1. The Department shall adopt:

(a) Regulations to provide for the recognition of schools that:

(1) Receive a designation as demonstrating exemplary achievement or high achievement pursuant to NRS 385.3623.

(2) Significantly improve the academic achievement of ~~{subgroups}~~ groups of pupils identified in paragraph (b) of subsection 1 of NRS 385.361.

(3) Exceed adequate yearly progress, as determined by the Department pursuant to NRS 385.3613, for 2 or more consecutive years.

(b) Such regulations as it deems necessary to carry out the provisions of this section and NRS 385.3455 to 385.391, inclusive, including, without limitation, uniform standards for the type and format of data that must be submitted by the school districts and the time by which such data must be submitted.

2. The Department may work in consultation with the Bureau for identifying and publicizing the achievement of schools that are recognized pursuant to paragraph (a) of subsection 1.

Sec. 17. NRS 386.605 is hereby amended to read as follows:

386.605 1. On or before July 15 of each year, the governing body of a charter school ~~that is sponsored by the board of trustees of a school district~~ shall submit the information concerning the charter school that is required pursuant to subsection 2 of NRS 385.347 to the board of trustees ~~that sponsors~~ of the school district in which the charter school is located for inclusion in the report of the school district pursuant to that section. The information must be submitted by the charter school in a format prescribed by the board of trustees.

2. The Legislative Bureau of Educational Accountability and Program Evaluation created pursuant to NRS 218.5356 may authorize a person or entity with whom it contracts pursuant to NRS 385.359 to review and analyze information submitted by charter schools pursuant to this section and NRS 385.357, consult with the governing bodies of charter schools and submit written reports concerning charter schools pursuant to NRS 385.359.

Sec. 18. NRS 386.650 is hereby amended to read as follows:

386.650 1. The Department shall establish and maintain an automated system of accountability information for Nevada. The system must:

(a) Have the capacity to provide and report information, including, without limitation, the results of the achievement of pupils:

(1) In the manner required by 20 U.S.C. §§ 6301 et seq., and the regulations adopted pursuant thereto, and NRS 385.3469 and 385.347; and

(2) In a separate reporting for each ~~subgroup~~ group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361;

(b) Include a system of unique identification for each pupil:

(1) To ensure that individual pupils may be tracked over time throughout this State; and

(2) That, to the extent practicable, may be used for purposes of identifying a pupil for both the public schools and the Nevada System of Higher Education, if that pupil enrolls in the System after graduation from high school;

(c) Have the capacity to provide longitudinal comparisons of the academic achievement, rate of attendance and rate of graduation of pupils over time throughout this State;

(d) Have the capacity to perform a variety of longitudinal analyses of the results of individual pupils on assessments, including, without limitation, the results of pupils by classroom and by school;

(e) Have the capacity to identify which teachers are assigned to individual pupils and which paraprofessionals, if any, are assigned to provide services to individual pupils;

(f) Have the capacity to provide other information concerning schools and school districts that is not linked to individual pupils, including, without limitation, the designation of schools and school districts pursuant to NRS 385.3623 and 385.377, respectively, and an identification of which schools, if any, are persistently dangerous;

(g) Have the capacity to access financial accountability information for each public school, including, without limitation, each charter school, for each school district and for this State as a whole; and

(h) Be designed to improve the ability of the Department, school districts and the public schools in this State, including, without limitation, charter schools, to account for the pupils who are enrolled in the public schools, including, without limitation, charter schools.

➤ The information maintained pursuant to paragraphs (c), (d) and (e) must be used for the purpose of improving the achievement of pupils and improving classroom instruction but must not be used for the purpose of evaluating an individual teacher or paraprofessional.

2. The board of trustees of each school district shall:

(a) Adopt and maintain the program prescribed by the Superintendent of Public Instruction pursuant to subsection 3 for the collection, maintenance and transfer of data from the records of individual pupils to the automated system of information, including, without limitation, the development of plans for the educational technology which is necessary to adopt and maintain the program;

(b) Provide to the Department electronic data concerning pupils as required by the Superintendent of Public Instruction pursuant to subsection 3; and

(c) Ensure that an electronic record is maintained in accordance with subsection 3 of NRS 386.655.

3. The Superintendent of Public Instruction shall:

(a) Prescribe a uniform program throughout this State for the collection, maintenance and transfer of data that each school district must adopt, which must include standardized software;

(b) Prescribe the data to be collected and reported to the Department by each school district and each sponsor of a charter school pursuant to subsection 2;

(c) Prescribe the format for the data;

(d) Prescribe the date by which each school district shall report the data;

(e) Prescribe the date by which each charter school shall report the data to the sponsor of the charter school;

(f) Prescribe standardized codes for all data elements used within the automated system and all exchanges of data within the automated system, including, without limitation, data concerning:

(1) Individual pupils;

(2) Individual teachers and paraprofessionals;

(3) Individual schools and school districts; and

(4) Programs and financial information;

(g) Provide technical assistance to each school district to ensure that the data from each public school in the school district, including, without limitation, each charter school located within the school district, is compatible with the automated system of information and comparable to the data reported by other school districts; and

(h) Provide for the analysis and reporting of the data in the automated system of information.

4. The Department shall establish, to the extent authorized by the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, a mechanism by which persons or entities, including, without limitation, state officers who are members of the Executive or Legislative Branch, administrators of public schools and school districts, teachers and other educational personnel, and parents and guardians, will have different types of access to the accountability information contained within the automated system to the extent that such information is necessary for the performance of a duty or to the extent that such information may be made available to the general public without posing a threat to the confidentiality of an individual pupil.

5. The Department may, to the extent authorized by the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, enter into an agreement with the Nevada System of Higher Education to provide access to data contained within the automated system for research purposes.

Sec. 19. NRS 388.795 is hereby amended to read as follows:

388.795 1. The Commission shall establish a plan for the use of educational technology in the public schools of this State. In preparing the plan, the Commission shall consider:

(a) Plans that have been adopted by the Department and the school districts in this State;

(b) Plans that have been adopted in other states;

(c) The information reported pursuant to paragraph (t) of subsection 2 of NRS 385.347; ~~and~~

(d) *The results of the assessment of needs conducted pursuant to subsection 6; and*

(e) Any other information that the Commission or the Committee deems relevant to the preparation of the plan.

2. The plan established by the Commission must include recommendations for methods to:

(a) Incorporate educational technology into the public schools of this State;

(b) Increase the number of pupils in the public schools of this State who have access to educational technology;

(c) Increase the availability of educational technology to assist licensed teachers and other educational personnel in complying with the requirements of continuing education, including, but not limited to, the receipt of credit for college courses completed through the use of educational technology;

(d) Facilitate the exchange of ideas to improve the achievement of pupils who are enrolled in the public schools of this State; and

(e) Address the needs of teachers in incorporating the use of educational technology in the classroom, including, ~~but not limited to,~~ *without limitation*, the completion of training that is sufficient to enable the teachers to instruct pupils in the use of educational technology.

3. The Department shall provide:

- (a) Administrative support;
- (b) Equipment; and
- (c) Office space.

➡ as is necessary for the Commission to carry out the provisions of this section.

4. The following entities shall cooperate with the Commission in carrying out the provisions of this section:

- (a) The State Board.
- (b) The board of trustees of each school district.
- (c) The superintendent of schools of each school district.
- (d) The Department.

5. The Commission shall:

(a) Develop technical standards for educational technology and any electrical or structural appurtenances necessary thereto, including, without limitation, uniform specifications for computer hardware and wiring, to ensure that such technology is compatible, uniform and can be interconnected throughout the public schools of this State.

(b) Allocate money to the school districts from the Trust Fund for Educational Technology created pursuant to NRS 388.800 and any money appropriated by the Legislature for educational technology, subject to any priorities for such allocation established by the Legislature.

(c) Establish criteria for the board of trustees of a school district that receives an allocation of money from the Commission to:

(1) Repair, replace and maintain computer systems.

(2) Upgrade and improve computer hardware and software and other educational technology.

(3) Provide training, installation and technical support related to the use of educational technology within the district.

(d) Submit to the Governor, the Committee and the Department its plan for the use of educational technology in the public schools of this State and any recommendations for legislation.

(e) Review the plan annually and make revisions as it deems necessary or as directed by the Committee or the Department.

(f) In addition to the recommendations set forth in the plan pursuant to subsection 2, make further recommendations to the Committee and the Department as the Commission deems necessary.

6. *During the spring semester of each even-numbered school year, the Commission shall conduct an assessment of the needs of each school district relating to educational technology. In conducting the assessment, the Commission shall consider:*

- (a) The recommendations set forth in the plan pursuant to subsection 2;*
- (b) The plan for educational technology of each school district, if applicable;*
- (c) Evaluations of educational technology conducted for the State or for a school district, if applicable; and*
- (d) Any other information deemed relevant by the Commission.*

➡ *The Commission shall submit a final written report of the assessment to the Superintendent of Public Instruction on or before April 1 of each even-numbered year.*

7. *The Superintendent of Public Instruction shall prepare a written compilation of the results of the assessment conducted by the Commission and transmit the written compilation on or before June 1 of each even-numbered year to the Legislative Committee on Education and to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.*

8. The Commission may appoint an advisory committee composed of members of the Commission or other qualified persons to provide recommendations to the Commission regarding standards for the establishment, coordination and use of a telecommunications network in the public schools throughout the various school districts in this State. The advisory committee serves at the pleasure of the Commission and without compensation unless an appropriation or other money for that purpose is provided by the Legislature.

~~{7-}~~ 9. As used in this section, "public school" includes the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS.

Sec. 20. NRS 389.018 is hereby amended to read as follows:

389.018 1. The following subjects are designated as the core academic subjects that must be taught, as applicable for grade levels, in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

- (a) English, including reading, composition and writing;
 - (b) Mathematics;
 - (c) Science; and
 - (d) Social studies, which includes only the subjects of history, geography, economics and government.
2. *Except as otherwise provided in this subsection, a pupil enrolled in a public high school must enroll in a minimum of:*
- (a) Four units of credit in English;*
 - (b) Four units of credit in mathematics, including, without limitation, Algebra I and geometry, or an equivalent course of study that integrates Algebra I and geometry;*
 - (c) Three units of credit in science, including two laboratory courses; and*
 - (d) Three units of credit in social studies, including, without limitation:*
 - (1) American government;*
 - (2) American history; and*
 - (3) World history or geography.*

↪ *A pupil is not required to enroll in the courses of study and credits required by this subsection if the pupil, the parent or legal guardian of the pupil and an administrator or a counselor at the school in which the pupil is enrolled mutually agree to a modified course of study for the pupil and that modified course of study satisfies at least the requirements for a standard high school diploma or an adjusted diploma, as applicable.*

3. Except as otherwise provided in this subsection, in addition to the core academic subjects, the following subjects must be taught as applicable for grade levels and to the extent practicable in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

- (a) The arts;
 - (b) Computer education and technology;
 - (c) Health; and
 - (d) Physical education.
- ↪ If the State Board requires the completion of course work in a subject area set forth in this subsection for graduation from high school or promotion to the next grade, a public school shall offer the required course work. Unless a subject is required for graduation from high school or promotion to the next grade, a charter school is not required to comply with this subsection.

Sec. 21. NRS 389.520 is hereby amended to read as follows:

389.520 1. The Council shall:

- (a) Establish standards of content and performance, including, without limitation, a prescription of the resulting level of achievement, for the grade levels set forth in subsection 2, based upon the content of each course, that is expected of pupils for the following courses of study:
 - (1) English, including reading, composition and writing;
 - (2) Mathematics;
 - (3) Science;
 - (4) Social studies, which includes only the subjects of history, geography, economics and government;
 - (5) The arts;
 - (6) Computer education and technology;
 - (7) Health; and
 - (8) Physical education.

(b) Establish a schedule for the periodic review and, if necessary, revision of the standards of content and performance. The review must include, without limitation, the review required pursuant to NRS 389.570 of the results of pupils on the examinations administered pursuant to NRS 389.550.

(c) Assign priorities to the standards of content and performance relative to importance and degree of emphasis and revise the standards, if necessary, based upon the priorities.

2. The Council shall establish standards of content and performance for each grade level in kindergarten and grades 1 to 8, inclusive, for English and mathematics. The Council shall establish standards of content and performance for the grade levels selected by the Council for the other courses of study prescribed in subsection 1.

3. *The Council shall forward to the State Board the standards of content and performance established by the Council for each course of study. The State Board shall:*

(a) Adopt the standards for each course of study, as submitted by the Council; or

(b) If the State Board objects to the standards for a course of study or a particular grade level for a course of study, return those standards to the Council with a written explanation setting forth the reason for the objection.

4. *If the State Board returns to the Council the standards of content and performance for a course of study or a grade level, the Council shall:*

(a) Consider the objection provided by the State Board and determine whether to revise the standards based upon the objection; and

(b) Return the standards or the revised standards, as applicable, to the State Board.

~~↪ The State Board shall adopt the standards of content and performance {established by the Council.~~

~~4↪ or the revised standards, as applicable.~~

5. The Council shall work in cooperation with the State Board to prescribe the examinations required by NRS 389.550.

Sec. 22. NRS 392.033 is hereby amended to read as follows:

392.033 1. The State Board shall adopt regulations which prescribe the courses of study required for promotion to high school, ~~[which]~~ including, without limitation, English, mathematics, science and social studies. The regulations may include the credits to be earned ~~[↪]~~ in each course.

2. ~~[The]~~ Except as otherwise provided in subsection 4, the board of trustees of a school district shall not promote a pupil to high school if the pupil does not complete the course of study or credits required for promotion. ~~[If a pupil is retained in grade 8 pursuant to this subsection and the pupil does not complete the course of study or credits required for promotion, the pupil shall complete a program of remedial study as required by the school district. If the pupil successfully completes the program of remedial study, the board of trustees shall promote the pupil to high school. If the pupil does not successfully complete the program of remedial study, he must be retained in grade 8 until he completes the course of study or credits required for promotion or successfully completes a program of remedial study.]~~ The board of trustees of the school district in which the pupil is enrolled may ~~shall~~ provide programs of remedial study to complete the courses of study required for promotion to high school.

3. The board of trustees of each school district shall adopt a procedure for evaluating the course of study or credits completed by a pupil who transfers to a junior high or middle school from a junior high or middle school in this State or from a school outside of this State.

4. The board of trustees of each school district shall adopt a policy that allows a pupil who has not completed the courses of study or credits required for promotion to high school to be placed on academic probation and to enroll in high school. A pupil who is on academic probation pursuant to this subsection shall complete appropriate remediation in the subject areas that he failed to pass. The policy must include the criteria for eligibility of a pupil to be placed on academic probation. A parent or guardian may elect not to place his child on academic probation but to remain in grade 8.

Sec. 23. (Deleted by amendment.)

Sec. 24. NRS 385.3691 and 385.3692 are hereby repealed.

Sec. 25. (Deleted by amendment.)

Sec. 26. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of \$340,200 for the costs of a study to measure the alignment of class assignments given to pupils at selected grade levels with the standards of content and performance established by the Council to Establish Academic Standards for Public Schools pursuant to NRS 389.520.

2. Before the Interim Finance Committee issues a request for proposals for a consultant to conduct the study, the Legislative Committee on Education shall select 100 public schools to participate in the study and the grade levels to be reviewed at each school. The schools must be elementary schools, middle schools and junior high schools and the grade levels selected must not include the ninth grade.

3. After selection of the public schools and grade levels by the Legislative Committee on Education, the Interim Finance Committee shall issue a request for proposals and enter into a contract with a qualified and independent consultant to conduct the study.

4. The consultant selected by the Interim Finance Committee shall, for each school selected by the Legislative Committee on Education, review a representative sampling of class assignments given to pupils for mathematics and English language arts at the selected grade levels and determine the alignment of those assignments with the standards of content and performance for those subject areas. For each school, the consultant shall report:

(a) The type of assignments that were reviewed, including, without limitation, homework, quizzes and tests;

(b) Whether the assignments were completed independently by pupils or in groups of pupils, or with the assistance of a teacher or aide;

(c) The source of the assignments, including, without limitation, textbooks and workbooks, created by the teacher or created by the school district;

(d) The grade levels of pupils subject to review;

(e) The percentage of the assignments that are aligned to the standards; and

(f) An assessment of the depth to which the standard is covered by the assignments.

5. The consultant shall prepare a written report of the results of the findings:

(a) For each school for submission to the principal of that school.

(b) For all schools that participate in the study for submission to the:

(1) Legislative Committee on Education;

(2) Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature;

(3) State Board of Education; and

(4) Department of Education.

6. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2009, and must be reverted to the State General Fund on or before September 18, 2009.

Sec. 26.5. The Superintendent of Public Instruction shall:

1. Prepare a plan for the reporting of the annual rate of pupils who drop out of school in grades 6 and 7 beginning in July 2011; and

2. Submit a report concerning the plan to the Director of the Legislative Counsel Bureau for transmittal to the 75th Session of the Legislature.

Sec. 27. The assessment of needs conducted by the Commission on Educational Technology pursuant to NRS 388.795, as amended by section 19 of this act, for the spring semester of 2008 must include, without limitation, an assessment of:

1. The need for computer-based assessments, including, without limitation, the use of computers for the administration of the high school proficiency examination;

2. The integration of educational technology to improve the achievement and proficiency of pupils; and

3. The feasibility and costs associated with using laptop computers in lieu of traditional textbooks.

Sec. 28. The provisions of section 20 of this act apply to pupils who are enrolled in grade 9 for the 2007-2008 school year and for each school year thereafter.

Sec. 29. This act becomes effective on July 1, 2007.

TEXT OF REPEALED SECTIONS

385.3691 Membership of technical assistance partnership.

1. The membership of each technical assistance partnership established by the board of trustees of a school district for a public school pursuant to NRS 385.3661:

(a) Must consist of:

(1) At least one employee of the public school for which the partnership is established;

and

(2) At least one representative of the school district.

(b) May consist of other persons, as determined by the board of trustees, in accordance with the needs of the school based upon the data and information pertaining to that school.

2. The membership of each technical assistance partnership established by the governing body of a charter school:

(a) Must consist of:

(1) At least one employee of the charter school;

(2) At least one member of the governing body of the charter school;

(3) For a charter school sponsored by the board of trustees of the school district, at least one representative of the school district, appointed by the school district; and

(4) For a charter school sponsored by the State Board, at least one representative of the Department, appointed by the Department.

(b) May consist of other persons, as determined by the governing body, in accordance with the needs of the charter school based upon the data and information pertaining to that charter school.

385.3692 Powers and duties of technical assistance partnership; completion and submission of form concerning review and analysis of school; Department required to prescribe form for use by partnership.

1. Each technical assistance partnership established for a public school shall complete a form prescribed by the Department pursuant to this section or an expanded form, if applicable, that includes:

(a) A review and analysis of the operation of the school, including, without limitation, the design and operation of the instructional program of the school;

(b) A review and analysis of the data pertaining to the school based upon the report required pursuant to subsection 2 of NRS 385.347 and a review and analysis of any data that is more recent;

(c) A review of the most recent plan to improve the achievement of the school's pupils; and

(d) An identification of the problems and factors at the school that contributed to the designation of the school as demonstrating need for improvement.

2. Each technical assistance partnership established for a public school shall:

(a) Assist the school in developing recommendations for improving the performance of pupils who are enrolled in the school; and

(b) Adopt, in consultation with the employees of the school, written revisions to the most recent plan to improve the achievement of the school's pupils for approval pursuant to NRS 385.357. The written revisions must:

(1) Include the data and findings of the technical assistance partnership that provide support for the revisions;

(2) If the school is a Title I school, be developed in consultation with parents and guardians of pupils enrolled in the school and, to the extent deemed appropriate by the entity that created the technical assistance partnership, outside experts;

(3) Set forth a timeline to carry out the revisions;

(4) Set forth priorities for the school in carrying out the revisions; and

(5) Set forth the names and duties of each person who is responsible for carrying out the revisions.

3. On or before November 1 of each year, each technical assistance partnership shall submit the form completed pursuant to subsection 1 to the:

(a) Department;

(b) Bureau;

(c) Board of trustees of the school district or governing body of the charter school, as applicable; and

(d) Principal of the school.

4. The Department shall, in consultation with the Bureau:

(a) Prescribe a form that contains the basic information for a technical assistance partnership to carry out its duties pursuant to subsection 1; and

(b) Make the form available on a computer disc for use by technical assistance partnerships and, upon request, in any other manner deemed reasonable by the Department.

5. Except as otherwise provided in this subsection, each technical assistance partnership shall use the form prescribed by the Department to carry out its duties pursuant to subsection 1. A school district or governing body of a charter school may prescribe an expanded form that contains additions to the form prescribed by the Department if the basic information contained in the expanded form complies with the form prescribed by the Department.

6. A technical assistance partnership may require the school for which the partnership was established to submit plans, strategies, tasks and measures that, in the determination of the partnership, will assist the school in improving the achievement and proficiency of pupils enrolled in the school.

BARBARA K. CEGAVSKE

BOB BEERS

MAURICE E. WASHINGTON

Senate Conference Committee

BONNIE PARNELL

TICK SEGERBLOM

LYNN STEWART

Assembly Conference Committee

Senator Cegavske moved that the Senate adopt the report of the first Conference Committee concerning Senate Bill No. 184.

Remarks by Senator Cegavske.

Motion carried by a constitutional majority.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 629, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

WILLIAM J. RAGGIO, *Chair*

Mr. President:

Your Committee on Government Affairs, to which was referred Assembly Bill No. 598, has had the same under consideration, and begs leave to report the same back with the recommendation: Without recommendation.

WARREN B. HARDY II, *Chair*

Mr. President:

Your Committee on Legislative Operations and Elections, to which was referred Assembly Bill No. 484, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BARBARA K. CEGAVSKE, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 4, 2007

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 192, 287, 579.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bill No. 487.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 319, Amendment No. 872, Senate Bill No. 393, Amendments Nos. 1095, 1174, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted Assembly Concurrent Resolutions Nos. 35, 36.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 1169 to Assembly Bill No. 146; Senate Amendment No. 1172 to Assembly Bill No. 544.

Also, I have the honor to inform your honorable body that the Assembly on this day adopted the report of the first Conference Committee concerning Senate Bills Nos. 274, 517.

LUCINDA BENJAMIN

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Assembly Concurrent Resolution No. 35.

Senator Nolan moved the adoption of the resolution.

Remarks by Senator Nolan.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

Assembly Concurrent Resolution No. 36.

Senator Nolan moved the adoption of the resolution.

Remarks by Senator Nolan.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

Senator Beers moved that Assembly Bill No. 598 be taken from the General File and placed on the Secretary's desk.

Remarks by Senator Beers.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 487.

Senator Nolan moved that the bill be referred to the Committee on Taxation.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 484.

Bill read second time.

The following amendment was proposed by the Committee on Legislative Operations and Elections:

Amendment No. 1177.

"SUMMARY—~~[Requires the Legislative Committee on Education to study certain issues during the 2007-2009 interim.]~~ *Makes various changes relating to legislative committees and studies.* (BDR S-1372)"

"AN ACT relating to ~~[education;]~~ *the Legislature;* requiring the Legislative Committee on Education *and the Legislative Committee on Health Care* to ~~[study the issue of testing in the public schools]~~ *consider studying certain issues* during the 2007-2009 interim; *transferring certain unspent money from a legislative study to Opportunity Village;* and providing other matters properly relating thereto."

Legislative Counsel's Digest:

The Legislative Committee on Education is a permanent statutory committee of Legislators that meets during the interim between legislative sessions to study various issues relating to education. (NRS 218.5351-218.5355) ~~[This bill requires the Committee.]~~ *The Legislative Committee on Health Care is a permanent statutory committee of Legislators that meets during the interim to study various issues related to health care. (NRS 439B.200-439B.240) Sections 1 and 2 of this bill require the Committees, during the 2007-2009 interim, to* ~~[study the issue of testing in the public schools.]~~ *consider studying certain specified issues.*

Section 3 of this bill transfers unspent money from an appropriation for a legislative study to the disbursement account in the State General Fund for the use of Opportunity Village.

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

Section 1. 1. The Legislative Committee on Education shall, during the 2007-2009 interim, ~~[conduct a study of the]~~ *consider studying:*

(a) The quantity and quality of tests that are administered in the public schools in this State.

~~[2.]~~ The study ~~[conducted pursuant to subsection 1]~~ must include, without limitation:

~~[(a)]~~ *(1) A review of the tests that are required by state law, including, without limitation, those tests which are required to comply with federal law;*

~~[(b)]~~ *(2) A review, by school district, of the tests and assessments that are administered district-wide; and*

~~[(c)]~~ *(3) A determination whether any of the tests and assessments may be consolidated in an efficient manner to allow for increased instructional time in the classroom.*

~~[3.]~~ *(b) Issues relating to truancy including, without limitation, a review of:*

(1) Issues relating to pupils who are truant from school, including, without limitation, measures of prevention, intervention and diversion and the imposition of appropriate discipline.

(2) The effectiveness of existing programs designed to reduce the number of pupils who are truant from school and identify programs throughout the State or in other states that are effective.

(3) Recommendations for a plan to reduce the number of pupils who are truant from school.

(c) Issues relating to the use of long-term substitute teachers, including, without limitation:

(1) The effect of the use of long-term substitutes who are not licensed teachers on the performance of pupils and the effect of the use of student teachers as substitutes pursuant to section 1 of Assembly Bill No. 512 of this session on the performance of pupils;

(2) The number of long-term substitutes employed in this State and the number employed by each school district, including, without limitation, the number who are not licensed teachers;

(3) The number of student teachers employed as substitutes pursuant to section 1 of Assembly Bill No. 512 of this session and the number employed by each school district;

(4) The average time for which a long-term substitute is assigned to a single class;

(5) Methods to reduce the use of long-term substitutes, including, without limitation, methods to reduce the number of long-term substitutes who are not licensed teachers or not student teachers employed pursuant to section 1 of Assembly Bill No. 512 of this session; and

(6) Any other issues relating to long-term substitutes.

(d) The governance of the public schools in this State, including, without limitation, a review of the system of public education for kindergarten through grade 12 to ensure that the structure of governance is organized in a manner which provides for efficient operation and which meets the educational needs of the residents of this State.

2. At the discretion of the Chairman of the Legislative Committee on Education, ~~and~~ and within limits of legislative appropriations:

(a) A subcommittee of ~~the~~ members of the ~~Committee~~ Legislature may be appointed to conduct ~~the study required~~ any of the studies authorized by this section.

~~4.~~ (b) The Committee or subcommittee may contract with such experts, researchers and consultants as may be necessary for the Committee or subcommittee to carry out any such study.

3. The Legislative Committee on Education shall submit a report of the results of ~~the~~ any study conducted pursuant to subsection 1 and any recommendations for legislation to the Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature.

Sec. 2. 1. The Legislative Committee on Health Care shall, during the 2007-2009 interim, consider studying:

(a) The regulation of providers of health care in Nevada, including, without limitation:

(1) A review of the laws of this State relating to the scope of practice authorized for providers of health care; and

(2) A study concerning the operation of the professional licensing boards for providers of health care with respect to barriers to licensing.

(b) The regulation of the use of lasers and intense pulsed light therapy in the performance of medical procedures on patients and the use of injections of cosmetic substances in the performance of procedures on patients. The Committee shall consider conducting a review of the laws and regulations of this State relating to the issues described in this paragraph and a study concerning those issues. In carrying out the provisions of this paragraph, the Committee may consult with a representative of:

- (1) The practice of ophthalmology in this State;
- (2) The practice of dermatology in this State;
- (3) The practice of cosmetic or plastic surgery in this State; and
- (4) The medical spa industry in this State.

2. At the discretion of the Chairman of the Legislative Committee on Health Care, and within limits of legislative appropriations:

(a) A subcommittee of members of the Legislature may be appointed to conduct any of the studies authorized by this section.

(b) The Committee or subcommittee may contract with such experts, researchers and consultants as may be necessary for the Committee or subcommittee to carry out any such study.

3. The Legislative Committee on Health Care shall submit a report of the results of any study conducted pursuant to subsection 1 and any recommendations for legislation to the Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Legislature.

Sec. 3. Section 39 of chapter 7, Statutes of Nevada 2005, 22nd Special Session, at page 122, is hereby amended to read as follows:

Sec. 39. 1. There is hereby appropriated from the State General Fund to the ~~Legislative Counsel Bureau~~ disbursement account created pursuant to section 1 of Senate Bill No. 443 of this session the sum of \$250,000 for ~~costs related to hiring a consultant to assist the interim committee appointed by the Legislative Committee to conduct a study to develop a plan for the deconsolidation of the Clark County School District.~~ the use of Opportunity Village for vocational training, employment and social recreation services for persons with intellectual disabilities in southern Nevada. The appropriation is subject to the same terms and conditions as the appropriation made for the use of Opportunity Village pursuant to section 8 of Senate Bill No. 443 of the 74th Session of the Nevada Legislature.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, ~~2007,~~ 2009, by the entity to which the appropriation is made or any entity to which the money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September ~~21, 2007,~~ 18, 2009.

Sec. 4. Section 11 of Assembly Bill No. 485, section 3 of Assembly Bill No. 512 and section 54 of Senate Bill No. 310 of this session are hereby repealed.

~~Sec. 2.~~ Sec. 5. This act becomes effective ~~on July 1, 2007,~~ upon passage and approval.

TEXT OF REPEALED SECTIONS

Section 11 of Assembly Bill No. 485 of this session

Sec. 11. 1. The Legislative Committee on Education shall study issues relating to truancy during the 2007-2009 interim.

2. The study must include, without limitation, a review of:

(a) Issues relating to pupils who are truant from school, including, without limitation, measures of prevention, intervention and diversion and the imposition of appropriate discipline.

(b) The effectiveness of existing programs designed to reduce the number of pupils who are truant from school and identify programs throughout the State or in other states that are effective.

(c) Recommendations for a plan to reduce the number of pupils who are truant from school.

3. On or before February 1, 2009, the Legislative Committee on Education shall submit the report of its findings and any recommendations to the Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature.

Section 3 of Assembly Bill No. 512 of this session

Sec. 3. 1. The Legislative Committee on Education shall, during the 2007-2009 interim, study issues relating to the use of long-term substitute teachers, including, without limitation:

(a) The effect of the use of long-term substitutes who are not licensed teachers on the performance of pupils and the effect of the use of student teachers as substitutes pursuant to section 1 of this act on the performance of pupils;

(b) The number of long-term substitutes employed in this State and the number employed by each school district, including, without limitation, the number who are not licensed teachers;

(c) The number of student teachers employed as substitutes pursuant to section 1 of this act in this State and the number employed by each school district;

(d) The average time for which a long-term substitute is assigned to a single class;

(e) Methods to reduce the use of long-term substitutes, including, without limitation, methods to reduce the number of long-term substitutes who are not licensed teachers or not student teachers employed pursuant to section 1 of this act; and

(f) Any other issues relating to the use of long-term substitutes.

2. The Legislative Committee on Education may appoint a subcommittee to conduct the study required pursuant to subsection 1 or may request that an appropriate entity which is responsible for studying the coordination of elementary, secondary and postsecondary education in this State conduct the study and report to the Committee.

3. On or before February 1, 2009, the Legislative Committee on Education shall submit a report of the results of the study conducted pursuant to this section and any recommendations for legislation to the

Director of the Legislative Counsel Bureau for transmission to the 75th Session of the Nevada Legislature.

Section 54 of Senate Bill No. 310 of this session

Sec. 54. 1. The Legislative Committee on Health Care shall appoint a subcommittee to review the regulation of providers of health care in Nevada. The subcommittee must consist of:

(a) Two members of the Legislative Committee on Health Care appointed by the Chairman of that Committee;

(b) The Chairman of the Senate Standing Committee on Human Resources and Education;

(c) A member of the Senate Standing Committee on Commerce and Labor who served during the 74th Session of the Nevada Legislature appointed by the Chairman of that Committee;

(d) The Chairman of the Assembly Standing Committee on Health and Human Services; and

(e) A member of the Assembly Standing Committee on Commerce and Labor during the 74th Session of the Nevada Legislature appointed by the Chairman of that Committee.

2. The Chairman of the Legislative Committee on Health Care shall designate a member of the subcommittee to serve as chairman.

3. The subcommittee shall:

(a) Conduct:

(1) A review of the laws of this State relating to the scope of practice authorized for providers of health care.

(2) A study concerning the operation of the professional licensing boards for providers of health care with respect to barriers to licensing.

(b) Not later than June 30, 2008, submit a report of the results of its review and study and any recommendations for legislation to the Legislative Committee on Health Care.

4. The subcommittee may contract with such experts, researchers and consultants as may be necessary for the subcommittee to carry out its duties.

Senator Cegavske moved the adoption of the amendment.

Remarks by Senator Cegavske.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

GENERAL FILE AND THIRD READING

Assembly Bill No. 89.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1183.

"SUMMARY—Revises provisions regarding industrial injuries and occupational diseases. (BDR 53-849)"

"AN ACT relating to public employees; including certain employees of the Department of Public Safety and certain park rangers and employees of the Division of State Parks of the State Department of Conservation and Natural Resources in the definition of "police officer" for various purposes relating to industrial injuries, occupational diseases and programs for public employees; ~~[revising certain provisions concerning heart disease as an occupational disease of volunteer firefighters;]~~ making an appropriation; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides for certain police officers suffering from certain occupational diseases to receive disability benefits. (NRS 617.135, 617.455, 617.457, 617.485, 617.487) Existing law defines "police officer" for the purpose of providing those disability benefits to include various law enforcement officers in this State. (NRS 617.135) Existing law also grants the powers of peace officers to certain park rangers and employees of the Division of State Parks of the State Department of Conservation and Natural Resources. (NRS 289.260) Section 1 of this bill expands the definition of police officer to make certain employees of the Department of Public Safety and certain park rangers and division employees of the State Department of Conservation and Natural Resources eligible for the disability benefits provided to police officers. Section 2 of this bill makes an appropriation to the Division for physical examinations for those park rangers and division employees.

~~[Existing law provides that, under certain circumstances, heart disease of a volunteer firefighter constitutes an occupational disease for purposes of chapter 617 of NRS. (NRS 617.457) Section 1.5 of this bill removes the requirement that the heart disease must have occurred before the volunteer firefighter reached 55 years of age. Section 1.5 also revises the frequency with which the volunteer firefighter must submit to a physical examination to detect such heart disease. Further, section 1.5 requires an applicant for employment as a volunteer firefighter to pay the cost of his initial physical examination and requires his employer to reimburse that cost if he is employed as a volunteer firefighter.]~~

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

Section 1. NRS 617.135 is hereby amended to read as follows:

617.135 "Police officer" includes:

1. A sheriff, deputy sheriff, officer of a metropolitan police department or city policeman;
2. A chief, inspector, supervisor, commercial officer or trooper of the Nevada Highway Patrol Division of the Department of Public Safety;
3. A chief, investigator or agent of the Investigation Division of the Department of Public Safety;
4. *A chief, supervisor, investigator or training officer of the Training Division of the Department of Public Safety;*

5. *A chief or investigator of an office of the Department of Public Safety that conducts internal investigations of employees of the Department of Public Safety or investigates other issues relating to the professional responsibility of those employees;*

6. *A chief or investigator of the Department of Public Safety whose duties include, without limitation:*

(a) *The execution, administration or enforcement of the provisions of chapter 179A of NRS; and*

(b) *The provision of technology support services to the Director and the divisions of the Department of Public Safety;*

7. *An officer or investigator of the Section for the Control of Emissions From Vehicles and the Enforcement of Matters Related to the Use of Special Fuel of the Department of Motor Vehicles;*

~~{5-}~~ 8. *An investigator of the Division of Compliance Enforcement of the Department of Motor Vehicles;*

~~{6-}~~ 9. *A member of the police department of the Nevada System of Higher Education;*

~~{7-}~~ 10. *A:*

(a) *Uniformed employee of; or*

(b) *Forensic specialist employed by,*

→ *the Department of Corrections whose position requires regular and frequent contact with the offenders imprisoned and subjects the employee to recall in emergencies;*

~~{8-}~~ 11. *A parole and probation officer of the Division of Parole and Probation of the Department of Public Safety;*

~~{9-}~~ 12. *A forensic specialist or correctional officer employed by the Division of Mental Health and Developmental Services of the Department of Health and Human Services at facilities for mentally disordered offenders;*

~~{10-}~~ 13. *The State Fire Marshal, his assistant and his deputies; and*

~~{11-}~~ 14. *A game warden of the Department of Wildlife who has the powers of a peace officer pursuant to NRS 289.280 ~~{-}~~; and*

15. *A ranger or employee of the Division of State Parks of the State Department of Conservation and Natural Resources who has the powers of a peace officer pursuant to NRS 289.260.*

Sec. 1.5. ~~NRS 617.457 is hereby amended to read as follows:~~

~~617.457-1. Notwithstanding any other provision of this chapter, diseases of the heart of a person who, for 5 years or more, has been employed in a full-time continuous, uninterrupted and salaried occupation as a firefighter or police officer in this State before the date of disablement are conclusively presumed to have arisen out of and in the course of the employment.~~

~~2. Notwithstanding any other provision of this chapter, diseases of the heart, resulting in either temporary or permanent disability or death, are occupational diseases and compensable as such under the provisions of this chapter if caused by extreme overexertion in times of stress or danger and a~~

~~causal relationship can be shown by competent evidence that the disability or death arose out of and was caused by the performance of duties as a volunteer firefighter by a person entitled to the benefits of chapters 616A to 616D, inclusive, of NRS pursuant to the provisions of NRS 616A.145 and who, for 5 years or more, has served continuously as a volunteer firefighter in this State [and who has not reached the age of 55 years before the onset of the disease.]~~

~~3. Except as otherwise provided in subsection 4, each employee who is to be covered for diseases of the heart pursuant to the provisions of this section shall submit to a physical examination, including an examination of the heart, upon employment, upon commencement of coverage and thereafter on an annual basis during his employment.~~

~~4. A physical examination [is not required] for a volunteer firefighter [more than] is required upon initial employment and once every 3 years after [an] the initial examination [.] until the volunteer firefighter reaches the age of 50 years. Each volunteer firefighter who is 50 years of age or older shall submit to a physical examination once each year. The employer of the volunteer firefighter is responsible for scheduling the physical examination.~~

~~5. An applicant for the position as a volunteer firefighter who is 50 years of age or older shall pay the cost of his initial physical examination described in subsections 3 and 4. If the applicant is accepted for employment as a volunteer firefighter, the employer of the volunteer firefighter shall reimburse him the cost of the initial physical examination.~~

~~6. [All] Except as otherwise provided in subsection 5, all physical examinations required pursuant to [subsection] subsections 3 and 4 must be paid for by the employer.~~

~~[6.] 7. Failure to correct predisposing conditions which lead to heart disease when so ordered in writing by the examining physician subsequent to the annual examination excludes the employee from the benefits of this section if the correction is within the ability of the employee.~~

~~[7.] 8. A person who is determined to be:~~

~~(a) Partially disabled from an occupational disease pursuant to the provisions of this section; and~~

~~(b) Incapable of performing, with or without remuneration, work as a firefighter or police officer;~~

~~may elect to receive the benefits provided under NRS 616C.440 for a permanent total disability.~~

~~[8.] 9. Claims filed under this section may be reopened at any time during the life of the claimant for further examination and treatment of the claimant upon certification by a physician of a change of circumstances related to the occupational disease which would warrant an increase or rearrangement of compensation. (Deleted by amendment.)~~

Sec. 2. 1. There is hereby appropriated from the State General Fund to the Division of State Parks of the State Department of Conservation and Natural Resources, for the physical examinations required pursuant to

NRS 617.454, 617.455, 617.457, 617.485 and 617.487 for rangers or employees of the Division who are police officers pursuant to NRS 617.135 as amended by section 1 of this act:

For the Fiscal Year 2007-2008\$31,391.05

For the Fiscal Year 2008-2009\$13,109.20

2. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 19, 2008, and September 18, 2009, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 19, 2008, and September 18, 2009, respectively.

Sec. 3. 1. A person who, on July 1, 2007, is employed as a ranger or employee of the Division of State Parks of the State Department of Conservation and Natural Resources who has the powers of a peace officer pursuant to NRS 289.260 shall submit to a physical examination pursuant to NRS 617.454, 617.455 and 617.457 and a blood test to screen for hepatitis C pursuant to NRS 617.487 on or after July 1, 2007, but on or before September 30, 2007. Each physical examination and blood test must be paid for by the Department.

2. Notwithstanding the provisions of NRS 617.455, 617.457 and 617.487, if a person fails to submit to a physical examination or blood test required pursuant to subsection 1, the conclusive presumption relating to diseases of the lungs created by NRS 617.455, diseases of the heart created by NRS 617.457 and infections of hepatitis C pursuant to NRS 617.487 shall be deemed, with regard to that person and for the purposes of those sections, to create a rebuttable presumption that the disease of the lungs or heart or infection of hepatitis C arose out of and in the course of the employment of the person as a ranger or employee specified in subsection 1.

Sec. 4. This act becomes effective on July 1, 2007.

Senator Raggio moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 280.

Bill read third time.

Roll call on Assembly Bill No. 280:

YEAS—21.

NAYS—None.

Assembly Bill No. 280 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 434.

Bill read third time.

Roll call on Assembly Bill No. 434:

YEAS—21.

NAYS—None.

Assembly Bill No. 434 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 553.

Bill read third time.

Roll call on Assembly Bill No. 553:

YEAS—21.

NAYS—None.

Assembly Bill No. 553 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 565.

Bill read third time.

Roll call on Assembly Bill No. 565:

YEAS—21.

NAYS—None.

Assembly Bill No. 565 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 629.

Bill read third time.

Roll call on Assembly Bill No. 629:

YEAS—18.

NAYS—Beers, Cegavske, Heck—3.

Assembly Bill No. 629 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senator Raggio moved that the Senate recess subject to the call of the
Chair.

Motion carried.

Senate in recess at 12:46 a.m.

SENATE IN SESSION

At 12:57 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Senate Bill No. 116; Assembly Bill No. 162, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

WILLIAM J. RAGGIO, *Chair*

Mr. President:

Your Committee on Taxation, to which was referred Assembly Bill No. 487, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MIKE MCGINNESS, *Chair*

SECOND READING AND AMENDMENT

Senate Bill No. 116.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1182.

"SUMMARY—Provides for a bonus to be paid to certain members of the Nevada National Guard and the Reserves called to active duty to combat terrorism ~~and~~ and authorizes allocations to pay for the bonuses. (BDR 36-13)"

"AN ACT relating to state financial administration; providing for the payment of a bonus to certain members of the Nevada National Guard or the Reserves who are called to active duty in the Armed Forces of the United States after September 11, 2001, to serve in military expeditions or operations to combat terrorism; establishing the criteria for calculating the amount of the bonus; authorizing allocations to pay for the bonuses; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

~~[This]~~ Section 1 of this bill provides for the payment of a bonus to certain members of the Nevada National Guard or the Reserves who are called to active duty in the Armed Forces of the United States after September 11, 2001, to serve in military expeditions or operations to combat terrorism. ~~[This bill]~~ Section 1 also establishes the criteria for calculating the amount of the bonus to be awarded. Section 2 of this bill authorizes allocations for paying the bonuses.

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

Section 1. Chapter 412 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A member of the Reserves who is a resident of this State or a member of the Nevada National Guard who:*

(a) *Enters and serves in the active military service of the United States after September 11, 2001, in military expeditions or operations to combat terrorism; and*

(b) *Receives, upon severance from such service, an honorable discharge or certificate of satisfactory service from the Armed Forces of the United*

States or resumes his status as a member in good standing in the Nevada National Guard, or who, having so served, is still serving in the Armed Forces of the United States,

↪ is entitled to a bonus from this State in an amount determined pursuant to subsection 2.

2. The amount of the bonus provided for in subsection 1 is: ~~five~~

(a) ~~Five hundred dollars~~ Is \$175 for each month, or part thereof, after September 11, 2001, of service in military expeditions to combat terrorism; and

(b) ~~Two hundred fifty dollars~~ Is \$75 for each month, or part thereof, after September 11, 2001, of service in military operations to combat terrorism,

↪ but in no case may the amount of the bonus be greater than ~~\$10,000~~ \$5,000 for the time during which such a bonus may be paid.

3. The Adjutant General shall adopt regulations to carry out the provisions of this section.

4. As used in this section:

(a) "Global War on Terrorism Expeditionary Medal" and "Global War on Terrorism Service Medal" mean the medals established pursuant to Executive Order 13289, 68 F.R. 12567.

(b) "Military expeditions to combat terrorism" means military expeditions for which the Global War on Terrorism Expeditionary Medal is authorized.

(c) "Military operations to combat terrorism" means military operations for which the Global War on Terrorism Service Medal is authorized.

(d) "Reserves" means the Air Force Reserve, Army Reserve, Coast Guard Reserve, Marine Reserve and Naval Reserve.

Sec. 2. Section 1 of Assembly Bill No. 617 of this session is hereby amended to read as follows:

Section 3. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of \$36,000,000.

2. If the State Board of Examiners finds that circumstances for which the Legislature has made no other provision require a substantial expenditure that greatly exceeds the amount appropriated by the Legislature for that purpose, it may request an allocation by the Interim Finance Committee from the amount appropriated pursuant to subsection 1. If the Interim Finance Committee determines that the expenditure is required, that the amount greatly exceeds the amount appropriated by the Legislature for that purpose and that no other source of funding is available for the expenditure, the Interim Finance Committee may approve an allocation from the appropriation. The Interim Finance Committee shall by resolution establish the amount and purpose of the allocation, and direct the State Controller to transfer that amount to the appropriate fund and account. The State Controller shall thereupon make the transfer. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

3. Upon request of the Office of the Military, the Interim Finance Committee may allocate money from the amount appropriated pursuant to subsection 1 for distribution to the Office of the Military to pay the bonuses provided for in section 1 of this act. The Interim Finance Committee shall by resolution establish the amount of the allocation and direct the State Controller to transfer that amount to the appropriate fund and account. The State Controller shall thereupon make the transfer.

4. Upon receipt of the projections and estimates of the Economic Forum pursuant to paragraph (d) of subsection 1 of NRS 353.228 that are required to be reported before December 1, 2008, the Interim Finance Committee shall project the ending balance in the State General Fund for the Fiscal Year 2008-2009, using all relevant information available. If the projected ending fund balance for the Fiscal Year 2008-2009 exceeds the amount estimated by the 2007 Legislature, any remaining balance of the amount appropriated pursuant to subsection 1 must be transferred on January 1, 2009, to the Fund to Stabilize the Operation of State Government created pursuant to NRS 353.288.

~~[Sec. 2.]~~ Sec. 4. 1. This act becomes effective on ~~[October 1, 2007]~~ July 1, 2008. ~~[and]~~

2. Section 1 of this act expires by limitation on June 30, 2009.

Senator Raggio moved the adoption of the amendment.

Amendment adopted.

The following amendment was proposed by Senator Titus:

Amendment No. 1181.

"SUMMARY—Provides for a bonus to be paid to certain members of the Nevada National Guard and the Reserves called to active duty to combat terrorism ~~[,]~~ and authorizes allocations to pay for the bonuses and an allocation for the Lou Ruvo Brain Institute. (BDR 36-13)"

"AN ACT relating to state financial administration; providing for the payment of a bonus to certain members of the Nevada National Guard or the Reserves who are called to active duty in the Armed Forces of the United States after September 11, 2001, to serve in military expeditions or operations to combat terrorism; establishing the criteria for calculating the amount of the bonus; authorizing allocations to pay for the bonuses and an allocation for the Lou Ruvo Brain Institute; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

~~[This]~~ Section 1 of this bill provides for the payment of a bonus to certain members of the Nevada National Guard or the Reserves who are called to active duty in the Armed Forces of the United States after September 11, 2001, to serve in military expeditions or operations to combat terrorism. ~~[This bill]~~ Section 1 also establishes the criteria for calculating the amount of the bonus to be awarded. Section 2 of this bill authorizes

allocations for paying the bonuses and an allocation for the Lou Ruvo Brain Institute.

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

Section 1. Chapter 412 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A member of the Reserves who is a resident of this State or a member of the Nevada National Guard who:*

(a) *Enters and serves in the active military service of the United States after September 11, 2001, in military expeditions or operations to combat terrorism; and*

(b) *Receives, upon severance from such service, an honorable discharge or certificate of satisfactory service from the Armed Forces of the United States or resumes his status as a member in good standing in the Nevada National Guard, or who, having so served, is still serving in the Armed Forces of the United States,*

↪ is entitled to a bonus from this State in an amount determined pursuant to subsection 2.

2. *The amount of the bonus provided for in subsection 1 is: ~~five~~*

(a) ~~Five hundred dollars~~ *Is \$175 for each month, or part thereof, after September 11, 2001, of service in military expeditions to combat terrorism; and*

(b) ~~Two hundred fifty dollars~~ *Is \$75 for each month, or part thereof, after September 11, 2001, of service in military operations to combat terrorism,*

↪ but in no case may the amount of the bonus be greater than ~~\$10,000~~ \$5,000 for the time during which such a bonus may be paid.

3. *The Adjutant General shall adopt regulations to carry out the provisions of this section.*

4. *As used in this section:*

(a) *"Global War on Terrorism Expeditionary Medal" and "Global War on Terrorism Service Medal" mean the medals established pursuant to Executive Order 13289, 68 F.R. 12567.*

(b) *"Military expeditions to combat terrorism" means military expeditions for which the Global War on Terrorism Expeditionary Medal is authorized.*

(c) *"Military operations to combat terrorism" means military operations for which the Global War on Terrorism Service Medal is authorized.*

(d) *"Reserves" means the Air Force Reserve, Army Reserve, Coast Guard Reserve, Marine Reserve and Naval Reserve.*

Sec. 2. Section 1 of Assembly Bill No. 617 of this session is hereby amended to read as follows:

Section 1. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of \$36,000,000.

2. If the State Board of Examiners finds that circumstances for which the Legislature has made no other provision require a substantial

expenditure that greatly exceeds the amount appropriated by the Legislature for that purpose, it may request an allocation by the Interim Finance Committee from the amount appropriated pursuant to subsection 1. If the Interim Finance Committee determines that the expenditure is required, that the amount greatly exceeds the amount appropriated by the Legislature for that purpose and that no other source of funding is available for the expenditure, the Interim Finance Committee may approve an allocation from the appropriation. The Interim Finance Committee shall by resolution establish the amount and purpose of the allocation, and direct the State Controller to transfer that amount to the appropriate fund and account. The State Controller shall thereupon make the transfer. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

3. Upon request of the Office of the Military the Interim Finance committee may allocate money from the amount appropriated pursuant to subsection 1 to the Office of the Military to pay the bonuses provided for in section 1 of this act. The Interim Finance committee shall by resolution establish the amount of the allocation and direct the State Controller to transfer that amount to the appropriate fund and account. The State controller shall thereupon make the transfer.

4. On or after July 1, 2008, the Interim Finance committee shall make an allocation of \$1 million to the Lou Ruvo Brain Institute for research, clinical studies, operations and educational programs at the Institute by resolution. The State Controller shall thereupon make the transfer.

5. Upon acceptance of the money appropriated by subsection 1, the Institute shall:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 15, 2008, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Institute through December 1, 2008; and

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 18, 2009, that describes each expenditure made from the money appropriated by subsection 1 from the date on which the money was received by the Lou Ruvo Brain Institute through June 30, 2009; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the Institute, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money appropriated pursuant to subsection 1.

6. Any remaining balance of the allocation made by subsection 4 must not be committed for expenditure after June 30, 2009, by the entity to which the allocation is made or any entity to which money from the

allocation is granted or otherwise transferred in any manner, and any portion of the allocated money remaining must not be spent for any purpose after September 18, 2009, by either the entity to which the money was allocated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2009.

7. Upon receipt of the projections and estimates of the Economic Forum pursuant to paragraph (d) of subsection 1 of NRS 353.228 that are required to be reported before December 1, 2008, the Interim Finance Committee shall project the ending balance in the State General Fund for the Fiscal Year 2008-2009, using all relevant information available. If the projected ending fund balance for the Fiscal Year 2008-2009 exceeds the amount estimated by the 2007 Legislature, any remaining balance of the amount appropriated pursuant to subsection 1 must be transferred on January 1, 2009, to the Fund to Stabilize the Operation of State Government created pursuant to NRS 353.288.

~~[Sec. 2.]~~ Sec. 3. 1. This act becomes effective on ~~[October 1, 2007, and]~~ July 1, 2008.

2. Section 1 of this act expires by limitation on June 30, 2009.

Senator Titus moved the adoption of the amendment.

Remarks by Senator Titus.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 162.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1180.

"SUMMARY—Makes various changes concerning military service. (BDR 33-775)"

"AN ACT relating to military service; ~~establishing the Nevada Veterans' Museum as an institution of the Division of Museums and History of the Department of Cultural Affairs; authorizing the transfer of certain abandoned property to the Nevada Veterans' Museum;~~ providing that the Board of Regents of the University of Nevada may grant a waiver of certain fees for the child, widow or widower of a person who was killed while he was performing his duties as a member of the Nevada National Guard; revising provisions that provide certain benefits for licenses, tags or permits for hunting, fishing or trapping to certain members of the Armed Forces of the United States and their families to provide those benefits to certain members of the Nevada National Guard and their families; authorizing the Department of Wildlife to issue, under certain circumstances, a fishing or hunting license to a member of the Nevada National Guard who is a bona fide resident of this State; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

~~f Existing law establishes several museums and societies within the Division of Museums and History of the Department of Cultural Affairs, and provides that the duties of such museums and societies are assigned by the Administrator of the Division. (NRS 381.004) Section 1 of this bill establishes the Nevada Veterans' Museum as an institution of the Division.~~

~~Under existing law, certain abandoned property held by certain businesses and governmental entities must be turned over to the State Treasurer in his capacity as the Administrator of Unclaimed Property. (Chapter 120A of NRS) Section 2 of this bill includes the Nevada Veterans' Museum as an entity to which such abandoned property may be transferred under certain circumstances. (NRS 120A.360)]~~

Existing law authorizes the Board of Regents of the University of Nevada to waive certain fees for a member of the Nevada National Guard or a recruit for the Nevada National Guard. (NRS 396.544) Additionally, existing law requires the Board of Regents to pay certain fees for the dependent child of a police officer, firefighter, officer of the Nevada Highway Patrol or volunteer ambulance driver or attendant killed while performing his duties. (NRS 396.545) Section 2.2 of this bill authorizes the Board of Regents to waive certain fees for any child, widow or widower of a person who was killed while he was performing his duties as a member of the Nevada National Guard.

Existing law provides certain benefits relating to obtaining licenses, tags or permits for hunting, fishing or trapping to certain members of the Armed Forces of the United States and their families. (NRS 502.070, 502.290) Sections 2.4 and 2.6 of this bill extend those benefits to certain members of the Nevada National Guard and their families.

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

Section 1. ~~[NRS 381.004 is hereby amended to read as follows:~~

~~381.004 1. The Division of Museums and History is hereby created in the Department.~~

~~2. The Division consists of the Office of the Administrator and a state system of museums consisting of the following museums and historical societies, which are hereby established as institutions of the Division:~~

~~(a) The Nevada State Museum;~~

~~(b) The Lost City Museum;~~

~~(c) The Nevada Museum and Historical Society;~~

~~(d) The Nevada Historical Society;~~

~~(e) The East Ely Depot Museum;~~

~~(f) The Nevada State Railroad Museum in Carson City; [and]~~

~~(g) The Nevada State Railroad Museum in Boulder City [-]; and~~

~~(h) The Nevada Veterans' Museum.~~

~~3. Each institution shall, in accordance with the duties assigned to it by the Administrator, collect, preserve and interpret the history, prehistory and natural history of this State. (Deleted by amendment.)~~

Sec. 2. ~~[NRS 120A.360 is hereby amended to read as follows:~~

~~120A.360 1. Except as otherwise provided in subsections 4, 5 and 6, all abandoned property other than money delivered to the Administrator under this chapter must, within 2 years after the delivery, be sold by the Administrator to the highest bidder at public sale in whatever manner affords in his judgment the most favorable market for the property involved. The Administrator may decline the highest bid and reoffer the property for sale if he considers the price bid insufficient.~~

~~2. Any sale held under this section must be preceded by a single publication of notice thereof at least 2 weeks in advance of the sale in a newspaper of general circulation in the county where the property is to be sold.~~

~~3. The purchaser at any sale conducted by the Administrator pursuant to this chapter is vested with title to the property purchased, free from all claims of the owner or prior holder and of all persons claiming through or under them. The Administrator shall execute all documents necessary to complete the transfer of title.~~

~~4. The Administrator need not offer any property for sale if, in his opinion, the probable cost of the sale exceeds the value of the property. The Administrator may destroy or otherwise dispose of such property or may transfer it to:~~

~~(a) The Nevada Museum and Historical Society, the Nevada State Museum, [or] the Nevada Historical Society [,] or the Nevada Veterans' Museum, upon its written request, if the property has, in the opinion of the requesting institution, historical, artistic, [or] literary or military value, as applicable, and is worthy of preservation; or~~

~~(b) A genealogical library, upon its written request, if the property has genealogical value and is not wanted by the Nevada Museum and Historical Society, the Nevada State Museum, [or] the Nevada Historical Society [,] or~~

~~(c) A veterans' or military museum, upon its written request, if the property has military or military historical value and is not wanted by the Nevada Museum and Historical Society, the Nevada State Museum] or the Nevada [Historical Society.] Veterans' Museum.~~

~~➤ An action may not be maintained by any person against the holder of the property because of that transfer, disposal or destruction.~~

~~5. Securities listed on an established stock exchange must be sold at the prevailing price for that security on the exchange at the time of sale. Other securities not listed on an established stock exchange may be sold:~~

~~(a) Over the counter at the prevailing price for that security at the time of sale; or~~

~~(b) By any other method the Administrator deems acceptable.~~

~~6. The Administrator shall hold property that was removed from a safe deposit box or other safekeeping repository for 1 year after the date of the delivery of the property to the Administrator, unless that property is a will or a codicil to a will, in which case the Administrator shall hold the property~~

~~for 10 years after the date of the delivery of the property to the Administrator. If no claims are filed for the property within that period, it may be destroyed.] (Deleted by amendment.)~~

Sec. 2.2. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Board of Regents may grant a waiver of registration fees and laboratory fees for any child, widow or widower of a person who was killed while he was performing his duties as a member of the Nevada National Guard. For the purpose of assessing fees and charges against a person to whom a waiver is granted pursuant to this subsection, including, without limitation, tuition charges pursuant to NRS 396.540, the person shall be deemed to be a bona fide resident of this State.*

2. *To be eligible for a waiver pursuant to subsection 1, a person must maintain at least a 3.25 grade point average, on a 4.0 grading scale, each semester, or the equivalent of a 3.25 grade point average if a different grading scale is used and:*

(a) Be the widow or widower of the member of the Nevada National Guard; or

(b) Be the child of the member of the Nevada National Guard.

3. *A widow or widower is eligible for 4 years after the date of the death of the member of the Nevada National Guard. A child is eligible for 4 years after he attains the age of 18 years or, if he enrolls in the System before the age of 18 years, for 4 years after the date of his enrollment.*

4. *The Board of Regents may request the Adjutant General to verify that a person is the widow, widower or child of a person who was killed while he was performing his duties as a member of the Nevada National Guard. The Adjutant General shall, upon receiving such a request, notify the Board of Regents in writing concerning the status of that person.*

Sec. 2.4. NRS 502.070 is hereby amended to read as follows:

502.070 1. The Department shall issue to any member of the Armed Forces of the United States who has been assigned to permanent duty, as opposed to temporary or casual duty, within the State of Nevada *or to any member in good standing of the Nevada National Guard who has served on active duty* all necessary hunting or fishing licenses, tags or permits for fishing, hunting or trapping in the State of Nevada. A like privilege must be extended to spouses and dependents, under the age of 21, of ~~such~~ those members of the Armed Forces ~~[All such]~~ *or the Nevada National Guard.* The licenses, tags or permits must be issued on the same terms and conditions and at the same costs as licenses, tags or permits are issued to Nevada residents, except that the 6 months' residence requirement must be waived.

2. The issuance of ~~all such~~ the licenses, tags and permits must be made by application upon a form provided for that purpose by the Department. The application must include such proof of assignment to permanent duty within the State of Nevada *or proof of service on active duty and membership in*

good standing in the Nevada National Guard as may be deemed necessary by the Department to determine whether or not an applicant is ~~[actually so assigned]~~ *eligible for a license, tag or permit pursuant to subsection 1.*

Sec. 2.6. NRS 502.290 is hereby amended to read as follows:

502.290 1. The ~~[Commission is authorized to issue to those persons serving in the Armed Forces of the United States who are bona fide residents of the State of Nevada]~~ *Department may issue* fishing or hunting licenses, upon the payment of \$5 for each license, ~~[provided those persons requesting the licenses are at the time on]~~ *to any person who is a bona fide resident of the State of Nevada and is:*

(a) *On active duty in the Armed Forces of the United States* ~~[and are not stationed in the State of Nevada.]~~; or

(b) *A member in good standing of the Nevada National Guard who has served on active duty.*

2. The ~~[Commission]~~ *Department* may require whatever proof it deems necessary to determine whether ~~[such persons come within]~~ *a person is subject to the provisions of this section.*

3. *If the Department incurs a deficiency caused by the issuance of licenses pursuant to this section, the Department may request an allocation from the Contingency Fund pursuant to NRS 353.266, 353.268 and 353.269 to reimburse the Department for the amount of the deficiency.*

4. Any person who is guilty of giving false information to obtain a license as provided in this section is guilty of a misdemeanor.

Sec. 3. 1. This section and sections 1 and 2 of this act become effective on July 1, 2007.

2. Sections 2.2, 2.4 and 2.6 of this act become effective on October 1, 2007.

Senator Raggio moved the adoption of the amendment.

Remarks by Senator Raggio.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

GENERAL FILE AND THIRD READING

Assembly Bill No. 89.

Bill read third time.

Roll call on Assembly Bill No. 89:

YEAS—21.

NAYS—None.

Assembly Bill No. 89 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 484.

Bill read third time.

Roll call on Assembly Bill No. 484:

YEAS—19.

NAYS—Carlton, Titus—2.

Assembly Bill No. 484 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 487.

Bill read third time.

Roll call on Assembly Bill No. 487:

YEAS—14.

NAYS—Carlton, Coffin, Horsford, Schneider, Titus, Wiener, Woodhouse—7.

Assembly Bill No. 487 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 1:02 a.m.

SENATE IN SESSION

At 1:51 a.m.

President Krolicki presiding.

Quorum present.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bills Nos. 186, 189, 253, 352, 380, 422, 444, 455, 458, 461, 464, 499, 544, 570; Assembly Bills Nos. 13, 144, 158, 161, 165, 186, 202, 232, 273, 469, 483, 510, 585, 591, 595, 604, 621.

Mr. President appointed Senators McGinness, Hardy and Nolan as a committee to wait upon His Excellency, Jim Gibbons, Governor of the State of Nevada, and to inform him that the Senate is ready to adjourn *sine die*.

Mr. President appointed Senators Cegavske, Heck and Woodhouse as a committee to wait upon the Assembly and to inform that honorable body that the Senate is ready to adjourn *sine die*.

A committee from the Assembly, consisting of Assemblymen Anderson, Gansert and Leslie appeared before the bar of the Senate and announced that the Assembly is ready to adjourn *sine die*.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 1:55 a.m.

SENATE IN SESSION

At 2:36 a.m.

President Krolicki presiding.

Quorum present.

Senator Cegavske reported that her committee had informed the Assembly that the Senate is ready to adjourn *sine die*.

Senator McGinness reported that his committee had informed the Governor that the Senate is ready to adjourn *sine die*.

Senator William J. Raggio moved that the 74th Session of the Senate of the Legislature of the State of Nevada adjourn *sine die*.

Motion carried

Senate adjourned *sine die* at 2:40 a.m.

Approved:

BRIAN K. KROLICKI
President of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate