

Amendment No. 513

Assembly Amendment to Assembly Bill No. 605 (BDR 23-168)

Proposed by: Assembly Committee on Elections, Procedures, Ethics, and
Constitutional Amendments

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will REMOVE the 2/3s majority vote requirement from A.B. 605.

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

BFG/KMG



Date: 4/22/2007

A.B. No. 605—Makes various changes concerning ethics in government.
(BDR 23-168)



ASSEMBLY BILL NO. 605—COMMITTEE ON ELECTIONS, PROCEDURES, ETHICS, AND
CONSTITUTIONAL AMENDMENTS

MARCH 26, 2007

Referred to Committee on Elections, Procedures, Ethics,
and Constitutional Amendments

SUMMARY—Makes various changes concerning ethics in government.
(BDR 23-168)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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

AN ACT relating to ethics in government; ~~requiring the Commission on Ethics to provide a course for certain elected public officers and lobbyists about relevant ethics laws; making various changes concerning the use of governmental time, property, equipment or other facility by public officers or employees and Legislators; increasing the civil penalties for willful violation of ethics laws;~~ **requiring candidates and elected public officers to obtain the approval of the Secretary of State before establishing a legal defense fund; limiting contributions to a legal defense fund; requiring the filing of a report concerning the contributions to and disbursements from a legal defense fund; enacting various provisions relating to legal defense funds; providing penalties; and providing other matters properly relating thereto.**

Legislative Counsel's Digest:

~~Section 1 of this bill requires the Commission on Ethics to establish a course for elected public officers and lobbyists about relevant provisions of law concerning ethics with which they must comply. (NRS 281.471) Section 4 of this bill requires a person who is elected to office or appointed to an elected office to complete the course not later than 2 months after his election or appointment. (NRS 281.552) Section 5 of this bill requires a person who registers as a lobbyist to complete the course not later than 2 weeks after such registration. A person is not required to complete the course more than one time.~~

~~Section 2 of this bill prohibits a public officer, public employee and Legislators from using governmental time, property, equipment or other facility for an activity relating to a political campaign or the preparation of a campaign related report required pursuant to chapter 294A of NRS. Legislators and other elected public officers are further prohibited from using governmental time, property, equipment or other facility for the preparation of a statement of financial disclosure. (NRS 281.481)~~

~~Section 3 of this bill increases the civil penalties that the Commission on Ethics may impose on a public officer or employee or former public officer by \$5,000 for willful violations of the ethics laws.]~~

Section 10 of this bill prohibits a candidate or elected public officer from establishing a legal defense fund, unless certain requirements are met. Section 10 also requires, before establishing a legal defense fund, a candidate or elected public officer to obtain the approval of the Secretary of State. To obtain this approval, the candidate or elected public officer must submit to the Secretary of State a "Statement of Purpose," which identifies certain information about the legal defense fund. The Secretary of State must approve the establishment of the legal defense fund if the legal defense fund complies with the requirements of sections 10-16 of this bill and the investigation, claim, case or proceeding for which the fund was established arises from or is directly related to the campaign of the candidate or the campaign or official duties or activities of the public officer.

Sections 11 and 12 of this bill establish certain requirements relating to the operation of a legal defense fund. Section 11 requires the legal defense fund to be managed by a trustee. The trustee must not be a person who has authority over the employees of the candidate or elected public officer who established the fund. Section 12 prohibits the payment of any expenses which do not arise from or are not directly related to the investigation, claim, case or proceeding for which the fund was established.

Section 13 of this bill prohibits a person from making a contribution of more than \$10,000 to a legal defense fund. In addition, section 13 prohibits a candidate, elected public officer or trustee of a legal defense fund from soliciting or accepting a contribution of more than \$10,000 to a legal defense fund. A person who willfully violates the provisions of section 13 is guilty of a category E felony.

Section 14 of this bill establishes disclosure requirements for a candidate or elected public officer who has established a legal defense fund. A candidate or public officer who has established a legal defense fund must file a quarterly report which discloses certain information concerning contributions to and disbursements from the legal defense fund. Each quarterly report must be signed by the candidate or elected public officer under penalty of perjury.

Section 15 of this bill requires a candidate or elected public officer to dissolve a legal defense fund within 90 days after the conclusion of the investigation, claim, case or proceeding for which it was established and file a notice of dissolution with the Secretary of State. The notice of dissolution must include a statement that the legal defense fund has been dissolved and must disclose the manner in which the legal defense fund disposed of any contributions that were not spent or committed for expenditure.

Section 16 of this bill provides that any contribution to a legal defense fund which has not been spent or committed for expenditure must be returned to contributors, donated to a tax-exempt nonprofit entity, donated to the State General Fund or disposed of in any combination of these methods.

Section 2 of this bill provides that an elected public officer commits a violation of the code of ethics if the elected public officer violates the provisions of sections 10-16 of this bill. (NRS 281.481) Section 20 of this bill provides that a person who violates the provisions of sections 10-16 is subject to a civil penalty of not more than \$5,000 for each violation.

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

Section 1. ~~[NRS 281.471 is hereby amended to read as follows:~~

~~281.471 The Commission shall:~~

~~1. Adopt procedural regulations;~~

~~(a) To facilitate the receipt of inquiries by the Commission;~~

~~(b) For the filing of a request for an opinion with the Commission;~~

~~(c) For the withdrawal of a request for an opinion by the person who filed the request; and~~

~~(d) To facilitate the prompt rendition of opinions by the Commission.~~

~~2. Prescribe, by regulation, forms for the submission of statements of financial disclosure and procedures for the submission of statements of financial disclosure filed pursuant to NRS 281.559 and forms and procedures for the submission of statements of acknowledgment filed by public officers pursuant to NRS 281.552, maintain files of such statements and make the statements available for public inspection.~~

~~3. Cause the making of such investigations as are reasonable and necessary for the rendition of its opinions pursuant to this chapter.~~

~~4. Except as otherwise provided in NRS 281.559, inform the Attorney General or district attorney of all cases of noncompliance with the requirements of this chapter.~~

~~5. Recommend to the Legislature such further legislation as the Commission considers desirable or necessary to promote and maintain high standards of ethical conduct in government.~~

~~6. Publish a manual for the use of public officers and employees that contains:~~

~~(a) Hypothetical opinions which are abstracted from opinions rendered pursuant to subsection 1 of NRS 281.511, for the future guidance of all persons concerned with ethical standards in government;~~

~~(b) Abstracts of selected opinions rendered pursuant to subsection 2 of NRS 281.511; and~~

~~(c) An abstract of the requirements of this chapter.~~

~~➤ The Legislative Counsel shall prepare annotations to this chapter for inclusion in the Nevada Revised Statutes based on the abstracts and published opinions of the Commission.~~

~~7. Establish and provide a course for public officers who are elected or appointed to an elected public office about the relevant provisions of law concerning ethics with which they must comply. Such a course must be offered at least two times each month for 2 months after each election at which public officers are elected and at such other times as may be necessary. The Commission may charge a fee to cover the cost of providing such a course.~~

~~8. Establish and provide a course for lobbyists about the relevant provisions of law concerning ethics with which they must comply. Such a course must be offered at least two times each month for the month preceding a legislative session and the two months immediately following and at such other times as may be necessary. The Commission may charge a fee to cover the cost of providing such a course.~~ **(Deleted by amendment.)**

Sec. 2. NRS 281.481 is hereby amended to read as follows:

281.481 A code of ethical standards is hereby established to govern the conduct of public officers and employees:

1. A public officer or employee shall not seek or accept any gift, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties.

2. A public officer or employee shall not use his position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for himself, any business entity in which he has a significant pecuniary interest, or any person to whom he has a commitment in a private capacity to the interests of that person. As used in this subsection:

(a) "Commitment in a private capacity to the interests of that person" has the meaning ascribed to "commitment in a private capacity to the interests of others" in subsection 8 of NRS 281.501.

(b) "Unwarranted" means without justification or adequate reason.

3. A public officer or employee shall not participate as an agent of government in the negotiation or execution of a contract between the government and any private business in which he has a significant pecuniary interest.

4. A public officer or employee shall not accept any salary, retainer, augmentation, expense allowance or other compensation from any private source for the performance of his duties as a public officer or employee.

5. If a public officer or employee acquires, through his public duties or relationships, any information which by law or practice is not at the time available to people generally, he shall not use the information to further the pecuniary interests of himself or any other person or business entity.

6. A public officer or employee shall not suppress any governmental report or other document because it might tend to affect unfavorably his pecuniary interests.

7. A public officer or employee, other than a member of the Legislature, shall not use governmental time, property, equipment or other facility to benefit his personal or financial interest. ~~This [Except as otherwise provided in subsection 9, this] subsection does not prohibit:~~

(a) A limited use of governmental property, equipment or other facility for personal purposes if:

(1) The public officer who is responsible for and has authority to authorize the use of such property, equipment or other facility has established a policy allowing the use or the use is necessary as a result of emergency circumstances;

(2) The use does not interfere with the performance of his public duties;

(3) The cost or value related to the use is nominal; and

(4) The use does not create the appearance of impropriety;

(b) The use of mailing lists, computer data or other information lawfully obtained from a governmental agency which is available to members of the general public for nongovernmental purposes; or

(c) The use of telephones or other means of communication if there is not a special charge for that use.

➤ If a governmental agency incurs a cost as a result of a use that is authorized pursuant to this subsection or would ordinarily charge a member of the general public for the use, the public officer or employee shall promptly reimburse the cost or pay the charge to the governmental agency.

8. A member of the Legislature shall not:

(a) Use governmental time, property, equipment or other facility for a nongovernmental purpose or for the private benefit of himself or any other person. ~~This [Except as otherwise provided in subsection 9, this] paragraph does not prohibit:~~

(1) A limited use of state property and resources for personal purposes if:

(I) The use does not interfere with the performance of his public duties;

(II) The cost or value related to the use is nominal; and

(III) The use does not create the appearance of impropriety;

(2) The use of mailing lists, computer data or other information lawfully obtained from a governmental agency which is available to members of the general public for nongovernmental purposes; or

(3) The use of telephones or other means of communication if there is not a special charge for that use.

(b) Require or authorize a legislative employee, while on duty, to perform personal services or assist in a private activity, except:

(1) In unusual and infrequent situations where the employee's service is reasonably necessary to permit the Legislator or legislative employee to perform his official duties; or

(2) Where such service has otherwise been established as legislative policy.

9. ~~[A public officer or employee or Legislator shall not use governmental time, property, equipment or other facility for an activity relating to a political campaign or the preparation of a report required pursuant to chapter 294A of NRS. A Legislator or other elected public officer further shall not use governmental time, property, equipment or other facility for an activity relating to the preparation of a statement of financial disclosure required pursuant to NRS 281.550 to 281.581, inclusive.]~~

~~10.]~~ A public officer or employee shall not attempt to benefit his personal or financial interest through the influence of a subordinate.

10. ~~[11.]~~ A public officer or employee shall not seek other employment or contracts through the use of his official position.

11. A public officer who was elected to the office for which he is serving shall not establish or maintain a legal defense fund for the direct or indirect benefit of the public officer, or solicit or accept contributions to a legal defense fund which is established or maintained for the direct or indirect benefit of the public officer, unless the public officer complies with the provisions of sections 10 to 16, inclusive, of this act. As used in this subsection, "legal defense fund" has the meaning ascribed to it in section 9 of this act.

Sec. 3. ~~[NRS 281.551 is hereby amended to read as follows:]~~

~~281.551 1. In addition to any other penalty provided by law, the Commission may impose on a public officer or employee or former public officer or employee civil penalties:~~

~~(a) Not to exceed [\$5,000] \$10,000 for a first willful violation of this chapter;~~

~~(b) Not to exceed [\$10,000] \$15,000 for a separate act or event that constitutes a second willful violation of this chapter; and~~

~~(c) Not to exceed [\$25,000] \$30,000 for a separate act or event that constitutes a third willful violation of this chapter.~~

~~2. In addition to other penalties provided by law, the Commission may impose a civil penalty not to exceed \$5,000 and assess an amount equal to the amount of attorney's fees and costs actually and reasonably incurred by the person about whom an opinion was requested pursuant to NRS 281.511 against a person who prevents, interferes with or attempts to prevent or interfere with the discovery or investigation of a violation of this chapter.~~

~~3. If the Commission finds that a violation of a provision of this chapter by a public officer or employee or former public officer or employee has resulted in the realization by another person of a financial benefit, the Commission may, in addition to other penalties provided by law, require the current or former public officer or employee to pay a civil penalty of not more than twice the amount so realized.~~

~~4. If the Commission finds that:~~

~~(a) A willful violation of this chapter has been committed by a public officer removable from office by impeachment only, the Commission shall file a report with the appropriate person responsible for commencing impeachment proceedings as to its finding. The report must contain a statement of the facts alleged to constitute the violation.~~

~~(b) A willful violation of this chapter has been committed by a public officer removable from office pursuant to NRS 283.440, the Commission may file a proceeding in the appropriate court for removal of the officer.~~

~~(c) Three or more willful violations have been committed by a public officer removable from office pursuant to NRS 283.440, the Commission shall file a proceeding in the appropriate court for removal of the officer.~~

~~5. An action taken by a public officer or employee or former public officer or employee relating to NRS 281.481, 281.491, 281.501 or 281.505 is not a willful violation of a provision of those sections if the public officer or employee establishes by sufficient evidence that he satisfied all of the following requirements:~~

~~(a) He relied in good faith upon the advice of the legal counsel retained by the public body which the public officer represents or by the employer of the public employee or upon the manual published by the Commission pursuant to NRS 281.471;~~

~~(b) He was unable, through no fault of his own, to obtain an opinion from the Commission before the action was taken; and~~

~~(c) He took action that was not contrary to a prior published opinion issued by the Commission.~~

~~6. In addition to other penalties provided by law, a public employee who willfully violates a provision of NRS 281.481, 281.491, 281.501 or 281.505 is subject to disciplinary proceedings by his employer and must be referred for action in accordance to the applicable provisions governing his employment.~~

~~7. NRS 281.481 to 281.541, inclusive, do not abrogate or decrease the effect of the provisions of the Nevada Revised Statutes which define crimes or prescribe punishments with respect to the conduct of public officers or employees. If the Commission finds that a public officer or employee has committed a willful violation of this chapter which it believes may also constitute a criminal offense, the Commission shall refer the matter to the Attorney General or the district attorney, as appropriate, for a determination of whether a crime has been committed that warrants prosecution.~~

~~8. The imposition of a civil penalty pursuant to subsection 1, 2 or 3 is a final decision for the purposes of judicial review.~~

~~9. A finding by the Commission that a public officer or employee has violated any provision of this chapter must be supported by a preponderance of the evidence unless a greater burden is otherwise prescribed by law.] (Deleted by amendment.)~~

Sec. 4. ~~[NRS 281.552 is hereby amended to read as follows:~~

~~281.552 1. As soon as practicable, but not later than 2 months after a person is elected or appointed to an elected public office, the person must complete a course concerning ethics which is provided by the Commission pursuant to NRS 281.471. A person is not required to complete the course more than one time for the public office for which he has been elected or appointed.~~

~~2. Every public officer shall acknowledge that he has [received].~~

~~(a) Completed the course required pursuant to subsection 1 if he has not previously acknowledged completion; and~~

~~(b) Received, read and understands the statutory ethical standards.~~

~~3. The acknowledgment required pursuant to subsection 2 must be on a form prescribed by the Commission and must accompany the first statement of financial disclosure that the public officer is required to file with the Commission pursuant to NRS 281.559 or the Secretary of State pursuant to NRS 281.561.~~

~~[2.] 4. The Commission and the Secretary of State shall retain an acknowledgment filed pursuant to this section for 6 years after the date on which the acknowledgment was filed.~~

~~[3.] 5. Willful refusal to execute and file the acknowledgment required by this section constitutes nonfeasance in office and is a ground for removal pursuant to NRS 283.440.] (Deleted by amendment.)~~

Sec. 5. ~~[Chapter 218 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. As soon as practicable, but not later than 2 weeks after a person files a registration statement pursuant to NRS 218.918, the person must complete a~~

~~course concerning ethics which is provided by the Commission on Ethics pursuant to NRS 281.471.~~

~~2. A person is not required to complete the course more than one time.]~~
(Deleted by amendment.)

Sec. 6. ~~[NRS 218.900 is hereby amended to read as follows:~~

~~218.900 NRS 218.900 to 218.944, inclusive, and section 5 of this act may be cited as the Nevada Lobbying Disclosure Act.] (Deleted by amendment.)~~

Sec. 7. ~~[NRS 218.904 is hereby amended to read as follows:~~

~~218.904 As used in NRS 218.900 to 218.944, inclusive, and section 5 of this act, the terms defined in NRS 218.905 to 218.916, inclusive, have the meanings ascribed to them in those sections.] (Deleted by amendment.)~~

Sec. 8. Chapter 294A of NRS is hereby amended by adding thereto the provisions set forth as sections 9 to 16, inclusive, of this act.

Sec. 9. "Legal defense fund" means a trust, account or fund established for the payment of legal expenses incurred by a candidate or public officer as a result of defending himself in a civil, criminal or administrative proceeding.

Sec. 10. 1. A candidate or public officer shall not establish a legal defense fund, except in accordance with the provisions of this section.

2. Before establishing a legal defense fund, a candidate or public officer must obtain the approval of the Secretary of State. To obtain the approval of the Secretary of State, the candidate or public officer must submit to the Secretary of State a statement of purpose. The statement of purpose must identify:

(a) The name of the legal defense fund;

(b) The name, address and telephone number of the candidate or public officer;

(c) The name, business address, business telephone number and occupation of the trustee of the legal defense fund;

(d) The investigation, claim, case or proceeding for which the legal defense fund is established;

(e) Whether the nature of the investigation, claim, case or proceeding, is civil, criminal or administrative;

(f) Any limitation on the amount of contributions to the legal defense fund; and

(g) The manner in which the legal defense fund will dispose of contributions to the fund which have not been spent or committed for expenditure.

3. The Secretary of State shall review the statement of purpose submitted pursuant to subsection 2 and shall approve or deny approval for the establishment of the legal defense fund within 5 days after the Secretary of State receives the statement of purpose. The Secretary of State shall approve the establishment of the legal defense fund if:

(a) The statement of purpose indicates that the legal defense fund complies with the requirements of this section and sections 11 to 16, inclusive, of this act; and

(b) The investigation, claim, case or proceeding identified pursuant to paragraph (d) of subsection 2 arises from or is directly related to the campaign of the candidate or the campaign or official duties or activities of the public officer.

4. If the Secretary of State denies approval to establish a legal defense fund, the candidate or public officer seeking approval for the establishment of a legal defense fund is entitled to judicial review of the decision in the manner provided by chapter 233B of NRS.

5. A candidate or public officer who establishes a legal defense fund shall name the legal defense fund as follows: "The (name of candidate or public officer) Legal Defense Fund." If the candidate or public officer establishes more

1 than one legal defense fund, the name of each fund must also be numerically
2 identified in the order in which the fund was established.

3 Sec. 11. 1. If a candidate or public officer establishes a legal defense
4 fund, the candidate or public officer must appoint a trustee to manage the fund.
5 The trustee must be a natural person who has no authority over the employees of
6 the candidate or public officer who established the legal defense fund.

7 2. The candidate, public officer and the trustee shall not solicit
8 contributions to the legal defense fund from employees of the candidate, public
9 officer or trustee.

10 Sec. 12. 1. A legal defense fund shall not pay any expenses other than
11 legal expenses which arise from or are directly related to the investigation, claim,
12 case or proceeding identified pursuant to paragraph (d) of subsection 2 of section
13 10 of this act.

14 2. If the nature of the investigation, claim, case or proceeding, as identified
15 pursuant to paragraph (e) of subsection 2 of section 10 of this act, changes, the
16 candidate or public officer who established the legal defense fund must file an
17 amendment to the statement of purpose. The amendment to the statement of
18 purpose must identify the change in the nature of the investigation, claim, case or
19 proceeding.

20 Sec. 13. 1. A person shall not make a contribution or contributions in an
21 amount which exceeds \$10,000 during any 12-month period to a legal defense
22 fund established by a candidate or public officer.

23 2. A candidate, public officer or the trustee of a legal defense fund shall not
24 solicit or accept a contribution which violates subsection 1.

25 3. A person shall not:

26 (a) Make a contribution to a legal defense fund in the name of another
27 person;

28 (b) Knowingly allow his name to be used to cause a contribution to a legal
29 defense fund to be made in the name of another person or assist in the making of
30 a contribution to a legal defense fund in the name of another person;

31 (c) Knowingly assist a person to make a contribution to a legal defense fund
32 in the name of another person; or

33 (d) Knowingly accept a contribution to a legal defense fund made by a
34 person in the name of another person.

35 4. A person who willfully violates any provision of this section is guilty of a
36 category E felony and shall be punished as provided in NRS 193.130.

37 5. As used in this section, "make a contribution to a legal defense fund in
38 the name of another person" includes, without limitation:

39 (a) Giving money or an item of value, all or part of which was provided by
40 another person, without disclosing the source of the money or item of value to the
41 recipient at the time the contribution to the legal defense fund is made; and

42 (b) Giving money or an item of value, all or part of which belongs to the
43 person who is giving the money or item of value, and claiming that the money or
44 item of value belongs to another person.

45 Sec. 14. 1. If a candidate or public officer establishes a legal defense
46 fund, the candidate or public officer shall file with the Secretary of State a report
47 of the contributions to and disbursements from the legal defense fund not later
48 than:

49 (a) April 30, for the period from January 1 through March 31;

50 (b) July 31, for the period from April 1 through June 30;

51 (c) October 31, for the period from July 1 through September 30; and

52 (d) January 31, for the period from October 1 of the previous year through
53 December 31 of the previous year.

1 2. The report required by subsection 1 must:
2 (a) Be completed on the form designed and provided by the Secretary of State
3 pursuant to NRS 294A.373;

4 (b) Be signed by the candidate or public officer under penalty of perjury; and
5 (c) Disclose:

6 (1) Each contribution in excess of \$100 to the legal defense fund received
7 during the period and contributions received during the period from a
8 contributor which cumulatively exceed \$100;

9 (2) The name and address of each contributor and the date on which the
10 contribution was received for each contribution disclosed pursuant to
11 subparagraph (1);

12 (3) All disbursements in excess of \$100 made from the legal defense fund
13 during the period and disbursements made from the legal defense fund during
14 the period to a single recipient which cumulatively exceed \$100; and

15 (4) The name and address of each recipient and the date on which the
16 disbursement was made for each disbursement disclosed pursuant to
17 subparagraph (3).

18 Sec. 15. Within 90 days after the conclusion of the investigation, claim,
19 case or proceeding identified pursuant to paragraph (d) of subsection 2 of section
20 10 of this act, the legal defense fund must be dissolved and the candidate or
21 public officer who established the legal defense fund must file a notice of
22 dissolution with the Secretary of State. The notice of dissolution must:

23 1. State that the legal defense fund has been dissolved; and

24 2. Disclose the manner in which the legal defense fund disposed of
25 contributions to the legal defense fund which were not spent or committed for
26 expenditure.

27 Sec. 16. 1. If a candidate for state, district, county or township office at a
28 primary or general election or a public officer who was elected to the office for
29 which he is serving establishes a legal defense fund, the candidate or public
30 officer shall not spend a contribution to the legal defense fund for his personal
31 use.

32 2. Within 90 days after the conclusion of the civil claim, criminal case or
33 administrative proceeding for which the legal defense fund was established, any
34 contributions to the legal defense fund which were not spent or committed for
35 expenditure must be:

36 (a) Returned to contributors;

37 (b) Donated to a tax-exempt nonprofit entity;

38 (c) Donated to the State General Fund; or

39 (d) Disposed of in any combination of methods provided in paragraphs (a),
40 (b) and (c).

41 Sec. 17. NRS 294A.002 is hereby amended to read as follows:

42 294A.002 As used in this chapter, unless the context otherwise requires, the
43 words and terms defined in NRS 294A.004 to 294A.009, inclusive, and section 9
44 of this act have the meanings ascribed to them in those sections.

45 Sec. 18. NRS 294A.300 is hereby amended to read as follows:

46 294A.300 1. It is unlawful for a member of the Legislature, the Lieutenant
47 Governor, the Lieutenant Governor-Elect, the Governor or the Governor-Elect to
48 solicit or accept any monetary contribution, or solicit or accept a commitment to
49 make such a contribution for any political purpose during the period beginning:

50 (a) Thirty days before a regular session of the Legislature and ending 30 days
51 after the final adjournment of a regular session of the Legislature;

52 (b) Fifteen days before a special session of the Legislature is set to commence
53 and ending 15 days after the final adjournment of a special session of the

Legislature, if the Governor sets a specific date for the commencement of the special session that is more than 15 days after the Governor issues the proclamation calling for the special session; or

(c) The day after the Governor issues a proclamation calling for a special session of the Legislature and ending 15 days after the final adjournment of a special session of the Legislature if the Governor sets a specific date for the commencement of the special session that is 15 or fewer days after the Governor issues the proclamation calling for the special session.

2. This section does not prohibit ~~the~~ :

(a) ~~The~~ payment of a salary or other compensation or income to a member of the Legislature, the Lieutenant Governor or the Governor during a session of the Legislature if it is made for services provided as a part of his regular employment or is additional income to which he is entitled.

(b) A member of the Legislature, the Lieutenant Governor, the Lieutenant Governor-Elect, the Governor or the Governor-Elect from soliciting or accepting contributions, or commitments to make such contributions, to a legal defense fund established pursuant to the provisions of sections 10 to 16, inclusive, of this act.

Sec. 19. NRS 294A.373 is hereby amended to read as follows:

294A.373 1. The Secretary of State shall design a single form to be used for all reports of campaign contributions and expenses or expenditures that are required to be filed pursuant to NRS 294A.120, 294A.125, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.360 and 294A.362.

2. The Secretary of State shall design a form to be used for the report of contributions to and disbursements from a legal defense fund that is required to be filed pursuant to section 14 of this act.

3. The ~~form~~ forms designed by the Secretary of State pursuant to this section must only request information specifically required by statute.

~~2.~~ 4. Upon request, the Secretary of State shall provide a copy of the ~~form~~ forms designed pursuant to this section to each person, committee, political party and group that is required to file a report described in subsection 1 ~~or~~ 2.

~~4.~~ 5. The Secretary of State must obtain the advice and consent of the Legislative Commission before providing a copy of a form designed or revised by the Secretary of State pursuant to this section to a person, committee, political party or group that is required to use the form.

Sec. 20. NRS 294A.420 is hereby amended to read as follows:

294A.420 1. If the Secretary of State receives information that a person or entity that is subject to the provisions of NRS 294A.120, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.230, 294A.270, 294A.280 or 294A.360 or section 14 of this act has not filed a report or form for registration pursuant to the applicable provisions of those sections, the Secretary of State may, after giving notice to that person or entity, cause the appropriate proceedings to be instituted in the First Judicial District Court.

2. Except as otherwise provided in this section, a person or entity that violates an applicable provision of NRS 294A.112, 294A.120, 294A.128, 294A.130, 294A.140, 294A.150, 294A.160, 294A.200, 294A.210, 294A.220, 294A.230, 294A.270, 294A.280, 294A.300, 294A.310, 294A.320 or 294A.360 or sections 10 to 16, inclusive, of this act is subject to a civil penalty of not more than \$5,000 for each violation and payment of court costs and attorney's fees. The civil penalty must be recovered in a civil action brought in the name of the State of Nevada by the Secretary of State in the First Judicial District Court and deposited by the Secretary of State for credit to the State General Fund in the bank designated by the State Treasurer.

3. If a civil penalty is imposed because a person or entity has reported its contributions, expenses or expenditures after the date the report is due, except as otherwise provided in this subsection, the amount of the civil penalty is:

(a) If the report is not more than 7 days late, \$25 for each day the report is late.

(b) If the report is more than 7 days late but not more than 15 days late, \$50 for each day the report is late.

(c) If the report is more than 15 days late, \$100 for each day the report is late.

➤ A civil penalty imposed pursuant to this subsection against a public officer who by law is not entitled to receive compensation for his office or a candidate for such an office must not exceed a total of \$100 if the public officer or candidate received no contributions and made no expenditures during the relevant reporting periods.

4. For good cause shown, the Secretary of State may waive a civil penalty that would otherwise be imposed pursuant to this section. If the Secretary of State waives a civil penalty pursuant to this subsection, the Secretary of State shall:

(a) Create a record which sets forth that the civil penalty has been waived and describes the circumstances that constitute the good cause shown; and

(b) Ensure that the record created pursuant to paragraph (a) is available for review by the general public.

Sec. 21. NRS 218.942 is hereby amended to read as follows:

218.942 1. A lobbyist shall not knowingly or willfully make any false statement or misrepresentation of facts:

(a) To any member of the Legislative Branch in an effort to persuade or influence him in his official actions.

(b) In a registration statement or report concerning lobbying activities filed with the Director.

2. A lobbyist shall not give to a member of the Legislative Branch or a member of his staff or immediate family gifts that exceed \$100 in value in the aggregate in any calendar year.

3. A member of the Legislative Branch or a member of his staff or immediate family shall not solicit anything of value from a registrant or accept any gift that exceeds \$100 in aggregate value in any calendar year.

4. A person who employs or uses a lobbyist shall not make that lobbyist's compensation or reimbursement contingent in any manner upon the outcome of any legislative action.

5. Except during the period permitted by NRS 218.918, a person shall not knowingly act as a lobbyist without being registered as required by that section.

6. Except as otherwise provided in subsection 7, a member of the Legislative or Executive Branch of the State Government and an elected officer or employee of a political subdivision shall not receive compensation or reimbursement other than from the State or the political subdivision for personally engaging in lobbying.

7. An elected officer or employee of a political subdivision may receive compensation or reimbursement from any organization whose membership consists of elected or appointed public officers.

8. A lobbyist shall not instigate the introduction of any legislation for the purpose of obtaining employment to lobby in opposition thereto.

9. A lobbyist shall not make, commit to make or offer to make a monetary contribution other than a contribution to a legal defense fund pursuant to sections 10 to 16, inclusive, of this act, to a member of the Legislature, the Lieutenant Governor, the Lieutenant Governor-elect, the Governor or the Governor-elect during the period beginning:

(a) Thirty days before a regular session of the Legislature and ending 30 days after the final adjournment of a regular session of the Legislature;

(b) Fifteen days before a special session of the Legislature is set to commence and ending 15 days after the final adjournment of a special session of the Legislature, if the Governor sets a specific date for the commencement of the special session that is more than 15 days after the Governor issues the proclamation calling for the special session; or

(c) The day after the Governor issues a proclamation calling for a special session of the Legislature and ending 15 days after the final adjournment of a special session of the Legislature if the Governor sets a specific date for the commencement of the special session that is 15 or fewer days after the Governor issues the proclamation calling for the special session.

~~[Sec. 8.] Sec. 22. 1. The provisions of section 4 of this act apply to any public officer who is elected or appointed on or after October 1, 2007.~~

~~2. The provisions of section 5 of this act apply to a lobbyist who files a statement of registration pursuant to NRS 218.918 on or after October 1, 2007.]~~ *If a candidate or public officer has established a legal defense fund before the effective date of this act:*

1. The candidate or public officer shall seek the approval of the Secretary of State by submitting to the Secretary of State a statement of purpose pursuant to section 10 of this act within 10 days after the effective date of this act. The Secretary of State shall approve the legal defense fund if the legal defense fund complies with the requirements of sections 10 to 16, inclusive, of this act.

2. The candidate or public officer shall file with the Secretary of State an initial report which covers the period beginning January 1, 2006, and ending on the effective date of this act and which contains the disclosures required by paragraph (c) of subsection 2 of section 14 of this act. The candidate or public officer shall file the initial report within 30 days after the effective date of this act. After the candidate or public officer files the initial report, the candidate or public officer shall comply with the provisions of section 14 of this act, except that the candidate or public officer is not required to disclose any information which was disclosed in the initial report.

3. The candidate or public officer and the trustee of the legal defense fund shall comply with sections 11, 12, 13, 15 and 16 of this act.

Sec. 23. This act becomes effective upon passage and approval.