# SENATE BILL NO. 391–COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS

### MARCH 28, 2011

Referred to Committee on Legislative Operations and Elections

SUMMARY—Revises provisions relating to ethics in government. (BDR 23-1116)

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

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EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to ethics in government; revising provisions relating to ethics in government and the enforcement of laws relating thereto; transferring certain authority over the enforcement of laws relating to ethics in government from the Commission on Ethics to the Secretary of State; and providing other matters properly relating thereto.

#### **Legislative Counsel's Digest:**

This bill makes a number of changes to provisions relating to ethics in government, including provisions concerning the makeup and duties of the Commission on Ethics, the duties of the Executive Director of the Commission and the disposition of a certain assessment paid by cities and counties to the Commission. This bill also makes various changes to provisions in the code of ethical standards, including provisions relating to conflicts of interest for public officers and employees, the rendering of opinions and conduct of investigations by the Commission and the duties of local ethics committees. Additionally, this bill provides new requirements relating to the acknowledgment by public officers and employees of notice of state ethics laws. Finally, this bill transfers a number of duties relating to state ethics laws from the Commission to the Secretary of State.





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

- **Section 1.** Chapter 281A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.
  - Sec. 2. "Agency" means any agency, bureau, board, commission, department, division, office or any other unit of the Executive Department of the State Government, or of any county, city or other political subdivision.
  - Sec. 3. "Commitment in a private capacity to the interests of others" or "commitment in a private capacity to the interests of that person" means a personal or pecuniary commitment, interest or relationship of a public officer or employee to a person:
  - 1. Who is the spouse or domestic partner of the public officer or employee;
  - 2. Who is a member of the household of the public officer or employee;
  - 3. Who is related to the public officer or employee, or to the spouse or registered domestic partner of the public officer or employee, by blood or adoption, within the third degree of consanguinity;
- 4. Who employs the public officer or employee or a member of the household of the public officer or employee;
- 5. With whom the public officer or employee has a substantial and continuing business relationship; or
- 6. With whom the public officer or employee has any other commitment, interest or relationship that is substantially similar to a commitment or relationship described in subsections 1 to 5, inclusive.
  - Sec. 4. "Pecuniary interest" means any beneficial or detrimental interest in a matter that consists of or is measured in money or is otherwise related to money, including, without limitation:
    - 1. Anything of economic value; and
  - 2. Payments or other money which a person is owed or otherwise entitled to by virtue of any existing statute, regulation, code or ordinance of any agency or any contract or any other agreement.
- **Sec. 5.** "Personal interest" means any potential or actual 38 private benefit or detriment to a person affected by a matter.
- Sec. 6. 1. Not later than January 15 of each year, any State Legislator or public officer who has, within the preceding year, represented or counseled a private person for compensation before





an agency shall disclose for each occurrence of such representation or counseling during the previous calendar year:

- (a) The name of the private person;
- (b) The nature of the representation or counseling; and
- (c) The name of the agency.

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- 2. The disclosure required pursuant to subsection 1 must be made in writing and be timely filed with the Commission on a form prescribed by the Commission. For the purposes of this subsection, the disclosure is timely filed if, on or before the last day for filing, the disclosure is filed in one of the following ways:
- (a) Delivered in person to the principal office of the Commission in Carson City.
- (b) Mailed to the Commission by first-class mail, or other class of mail that is at least as expeditious, postage prepaid. Filing by mail is complete upon timely depositing the disclosure with the United States Postal Service.
- (c) Dispatched to a third-party commercial carrier for delivery to the Commission within 3 calendar days of the due date. Filing by third-party commercial carrier is complete upon timely depositing the disclosure with the third-party commercial carrier.
- The Commission shall retain a disclosure filed pursuant to 21 22 this section for 6 years after the date on which the disclosure was filed. 23
- Sec. 7. 1. Subject to the provisions of subsection 2, the Commission, upon majority vote, may apply for and accept grants, contributions, services or money for the purposes of carrying out 26 the provisions of this chapter.
  - The Commission may only apply for or accept such grants, contributions or services approved in an open public meeting of the Commission.
    - Sec. 8. NRS 281A.030 is hereby amended to read as follows:
  - 281A.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 281A.040 to 281A.170, inclusive, and sections 2 to 5, inclusive, of this act have the meanings ascribed to them in those sections.
    - **Sec. 9.** NRS 281A.100 is hereby amended to read as follows:
  - 281A.100 "Household" means an association of persons who live in the same home or dwelling, sharing its expenses, and includes, without limitation, persons who are related by blood, adoption or marriage or who are registered as domestic partners pursuant to chapter 122A of NRS or persons who are in a substantially similar relationship.
    - **Sec. 10.** NRS 281A.125 is hereby amended to read as follows:
  - 281A.125 "Member of a local legislative body" means a member of a board of county commissioners, a governing body of a





city or a governing body of any other political subdivision who performs any function that involves introducing, voting upon or otherwise acting upon any matter of a permanent or general character which may reflect public policy. [and which is not typically restricted to identifiable persons or groups.]

**Sec. 11.** NRS 281A.160 is hereby amended to read as follows:

- 281A.160 1. "Public officer" means a person elected or appointed to a position, or appointed or employed, to perform the duties of a position, with or without compensation, which:
- (a) Is established, or created or authorized to be established, or created by the Constitution of the State of Nevada, a statute of this State or a charter or ordinance of any county, city or other political subdivision; and
- (b) Involves the exercise of a public power, trust or duty. As used in this section, "the exercise of a public power, trust or duty" means:
- (1) Actions taken in an official capacity which involve a substantial and material exercise of administrative discretion in the formulation of public policy;
  - (2) The expenditure of public money; and
- (3) The administration of laws and rules of the State or any county, city or other political subdivision.
  - "Public officer" does not include:
  - (a) Any justice, judge or other officer of the court system;
- (b) Any member of a board, commission or other body whose function is advisory;
- (c) Any member of a special district whose official duties do not include the formulation of a budget for the district or the authorization of the expenditure of the district's money; or
  - (d) A county health officer appointed pursuant to NRS 439.290.
  - "Public office" does not include an office held by:
  - (a) Any justice, judge or other officer of the court system;
- (b) Any member of a board, commission or other body whose function is advisory;
- (c) Any member of a special district whose official duties do not include the formulation of a budget for the district or the authorization of the expenditure of the district's money; or
  - (d) A county health officer appointed pursuant to NRS 439.290.
  - **Sec. 12.** NRS 281A.200 is hereby amended to read as follows: 281A.200 1. The Commission on Ethics, consisting of eight
- 40 41 members, is hereby created. 42 2. The Legislative Commission shall appoint
  - Commission four residents of the State, at least two of whom are former public officers or former public employees, and at least



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one of whom must be an attorney licensed to practice law in this State.

- 3. The Governor shall appoint to the Commission four residents of the State, at least two of whom must be former public officers or public employees, and at least one of whom must be an attorney licensed to practice law in this State.
- 4. [Not] Subject to the provisions of NRS 281.057, not more than four members of the Commission may be members of the same political party. Not more than four members may be residents of the same county.
- 5. None of the members of the Commission may, while the member is serving on the Commission:
  - (a) Hold another public office;

- (b) Be actively involved in the work of any political party or political campaign; or
- (c) Communicate directly with a State Legislator or a member of a local legislative body on behalf of someone other than himself or herself or the Commission, for compensation, to influence:
- (1) The State Legislator with regard to introducing or voting upon any matter or taking other legislative action; or
- (2) The member of the local legislative body with regard to introducing or voting upon any ordinance or resolution, taking other legislative action or voting upon:
  - (I) The appropriation of public money;
  - (II) The issuance of a license or permit; or
- (III) Any proposed subdivision of land or special exception or variance from zoning regulations.
- 6. After the initial terms, the terms of the members are 4 years. Any vacancy in the membership must be filled by the appropriate appointing authority for the unexpired term. Each member may serve no more than two consecutive full terms.
  - **Sec. 13.** NRS 281A.240 is hereby amended to read as follows:
- 281A.240 1. In addition to any other duties imposed upon the Executive Director, the Executive Director shall:
- (a) Maintain complete and accurate records of all transactions and proceedings of the Commission.
  - (b) Receive requests for opinions pursuant to NRS 281A.440.
  - (c) Gather information and conduct investigations regarding requests for opinions received by the Commission and submit recommendations to the investigatory panel appointed pursuant to NRS 281A.220 regarding whether there is just and sufficient cause to render an opinion in response to a particular request.
- 43 (d) Recommend to the Commission any regulations or 44 legislation that the Executive Director considers desirable or





necessary to improve the operation of the Commission and maintain high standards of ethical conduct in government.

- (e) Upon the request of any public officer or the employer of a public employee, conduct training on the requirements of this chapter, the rules and regulations adopted by the Commission and previous opinions of the Commission. In any such training, the Executive Director shall emphasize that the Executive Director is not a member of the Commission and that only the Commission may issue opinions concerning the application of the statutory ethical standards to any given set of facts and circumstances. The Commission may charge a reasonable fee to cover the costs of training provided by the Executive Director pursuant to this subsection.
- (f) Perform such other duties, not inconsistent with law, as may be required by the Commission.
- 2. The Executive Director shall, within the limits of legislative appropriation, employ such persons as are necessary to carry out any of the Executive Director's duties relating to:
  - (a) The administration of the affairs of the Commission; and
  - (b) The review of statements of financial disclosure; and
- (c)] The investigation of matters under the jurisdiction of the Commission.
  - **Sec. 14.** NRS 281A.260 is hereby amended to read as follows:
- 281A.260 1. The Commission Counsel is the legal adviser to the Commission. For each opinion of the Commission, the Commission Counsel shall prepare, at the direction of the Commission, the appropriate findings of fact and conclusions as to relevant standards and the propriety of particular conduct within the time set forth in subsection [6] 7 of NRS 281A.440. The Commission Counsel shall not issue written opinions concerning the applicability of the statutory ethical standards to a given set of facts and circumstances except as directed by the Commission.
- 2. The Commission may rely upon the legal advice of the Commission Counsel in conducting its daily operations.
- 3. If the Commission Counsel is prohibited from acting on a particular matter or is otherwise unable to act on a particular matter, the Commission may:
- (a) Request that the Attorney General appoint a deputy to act in the place of the Commission Counsel; or
  - (b) Employ outside legal counsel.
  - Sec. 15. NRS 281A.270 is hereby amended to read as follows:
- 281A.270 1. Each county whose population is more than 10,000 and each city whose population is more than 10,000 and that is located within such a county shall pay an assessment for the costs incurred by the Commission each biennium in carrying out its





functions pursuant to this chapter. The total amount of money to be derived from assessments paid pursuant to this subsection for a biennium must be determined by the Legislature in the legislatively approved budget of the Commission for that biennium. The assessments must be apportioned among each such city and county based on the proportion that the total population of the city or the total population of the unincorporated area of the county bears to the total population of all such cities and the unincorporated areas of all such counties in this State.

- 2. On or before July 1 of each odd-numbered year, the Executive Director shall, in consultation with the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau, determine for the next ensuing biennium the amount of the assessments due for each city and county that is required to pay an assessment pursuant to subsection 1. The assessments must be paid to the Commission in semiannual installments that are due on or before August 1 and February 1 of each year of the biennium. The Executive Director shall send out a billing statement to each such city or county which states the amount of the semiannual installment payment due from the city or county.
- 3. Any money that the Commission receives pursuant to subsection 2:
- (a) Must be deposited in the State Treasury, accounted for separately in the State General Fund and credited to the budget account for the Commission:
- (b) May only be used to carry out the provisions of this chapter and only to the extent authorized for expenditure by the Legislature; and
- (c) Does not revert to the State General Fund, or to any city or county that is required to pay an assessment pursuant to subsection 1, at the end of any fiscal year.
- 4. If any installment payment is not paid on or before the date on which it is due, the Executive Director shall make reasonable efforts to collect the delinquent payment. If the Executive Director is not able to collect the arrearage, the Executive Director shall submit a claim for the amount of the unpaid installment payment to the Department of Taxation. If the Department of Taxation receives such a claim, the Department shall deduct the amount of the claim from money that would otherwise be allocated from the Local Government Tax Distribution Account to the city or county that owes the installment payment and shall transfer that amount to the Commission.
- 5. As used in this section, "population" means the current population estimate for that city or county as determined and





published by the Department of Taxation and the demographer
 employed pursuant to NRS 360.283.
 Sec. 16. NRS 281A.290 is hereby amended to read as follows:

**Sec. 16.** NRS 281A.290 is hereby amended to read as follows: 281A.290 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 [...]; and
  - (e) Which are proper or necessary to carry out the provisions of this chapter.
  - 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 281A.600 and] forms and procedures for the submission of statements of acknowledgment filed by public officers pursuant to NRS 281A.500, 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 281A.600, inform] *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 281A.440, 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 281A.440; 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.
    - **Sec. 17.** NRS 281A.300 is hereby amended to read as follows: 281A.300 1. The Chair and Vice Chair of the Commission
- 45 may administer oaths.





- 2. The Commission, upon majority vote, may issue a subpoena to compel the attendance of a witness and the production of books and papers. Upon the request of the Executive Director or the public officer or public employee who is the subject of a request for an opinion, the Chair or, in the Chair's absence, the Vice Chair, may issue a subpoena to compel the attendance of a witness and the production of books and papers.
- 3. Before issuing a subpoena to a public officer or public employee who is the subject of a request for an opinion, the Executive Director shall submit a written request to the public officer or public employee requesting:
- (a) The appearance of the public officer or public employee as a witness; or
- (b) The production by the public officer or public employee of any books and papers relating to the request for an opinion.
- 4. Each written request submitted by the Executive Director pursuant to subsection 3 must specify the time and place for the attendance of the public officer or public employee or the production of any books and papers, and designate with certainty the books and papers requested, if any. If the public officer or public employee fails or refuses to attend at the time and place specified or produce the books and papers requested by the Executive Director within 5 business days after receipt of the request, the Chair may issue the subpoena. Failure of the public officer or public employee to comply with the written request of the Executive Director shall be deemed a waiver by the public officer or public employee of the time set forth in subsections 4, 5 and [6] 7 of NRS 281A.440.
- 5. If any witness refuses to attend, testify or produce any books and papers as required by the subpoena, the Chair of the Commission 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 Commission 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 Commission, or has refused to answer questions propounded to the witness, and asking for an order of the court compelling the witness to attend and testify or produce the books and papers before the Commission.
- 6. Upon such a petition, 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 then and there show cause why the witness has not attended, testified or produced the books or papers before





the Commission. A certified copy of the order must be served upon the witness.

- 7. If it appears to the court that the subpoena was regularly issued by the Commission, the court shall enter an order that the witness appear before the Commission, at the time and place fixed in the order, and testify or produce the required books and papers. Upon failure to obey the order, the witness must be dealt with as for contempt of court.
- **Sec. 18.** NRS 281A.400 is hereby amended to read as follows: 281A.400 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 the public officer's or employee's position to depart from the faithful and impartial discharge of the public officer's or employee's public duties.
- 2. A public officer or employee shall not use the public officer's or employee's position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages [for the] which affect a significant personal interest or significant pecuniary interest of the public officer or employee, any business entity in which the public officer or employee has a significant pecuniary interest, or any person to whom the public officer or employee 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 281A 420.
- 30 NRS 281A.420.
  31 (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]:
    - (a) The public officer or employee;
  - (b) Any business entity in which the public officer or employee has a significant pecuniary interest [...] or a significant personal interest; or
  - (c) Any other person, if the public officer or employee has a commitment in a private capacity to the interests of that person.
  - 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 the public officer's or employee's duties as a public officer or employee.





- 5. If a public officer or employee acquires, through the public officer's or employee's public duties or relationships, any information which by law or practice is not at the time available to people generally, the public officer or employee shall not use the information to further the *significant* pecuniary interests *or significant personal interests* of the public officer or employee 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 the public officer's or employee's significant pecuniary interests [.] or significant personal interests, or the interests of any other person, if the public officer or employee has a commitment in a private capacity to the interests of that person.
- 7. Except for State Legislators who are subject to the restrictions set forth in subsection 8, a public officer or employee shall not use governmental time, property, equipment or other facility to benefit the public officer's or employee's significant personal [or financial interest.] interests or significant pecuniary interests, or to benefit any other person, if the public officer or employee has a commitment in a private capacity to the interests of that person. This subsection does not prohibit:
- (a) A limited use of governmental property, equipment or other facility for personal purposes if:
- (1) The public officer *or employee* 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 the public officer's or employee's 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 State Legislator shall not:
- (a) Use governmental time, property, equipment or other facility for a nongovernmental purpose or for the private benefit of the State Legislator or any other person. 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 the State Legislator's 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 State Legislator or legislative employee to perform that person's official duties; or
  - (2) Where such service has otherwise been established as legislative policy.
  - 9. A public officer or employee shall not attempt to benefit through the use of a subordinate the public officer's or employee's significant personal [or financial interest through the influence of a subordinate.] interests or significant pecuniary interests, or to benefit another person through the use of a subordinate if the public officer or employee has a commitment in a private capacity to the person.
  - 10. [A] Except as otherwise provided in subsection 11, a public officer or employee shall not use his or her official position to seek other employment or contracts [through the use of the public officer's or employee's official position.] for himself or herself or for any other person, if the public officer or employee has a commitment in a private capacity to the interests of that person.
  - 11. A public officer or employee may state or affirm that he or she holds a position as a public officer or employee, including, without limitation, stating his or her position as a public officer or employee, on a resume or other application for future employment or appointment or election to a public office.
  - Sec. 19. NRS 281A.410 is hereby amended to read as follows: 281A.410 In addition to the requirements of the code of ethical standards : and except as otherwise provided in this section:
  - 1. [If a] A public officer or employee [serves in a state agency of the Executive Department or an agency of any county, city or other political subdivision, the public officer or employee:





— (a) Shall shall not [accept]:

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- (a) Accept additional compensation [from any private person] to represent or counsel [the] a private person on any issue pending before any agency or legislative body, including the agency or *legislative body* in which that public officer or employee serves, if the agency *or legislative body* makes decisions; and
- (b) If the public officer or employee leaves the service of [the] an agency [, shall not,] or legislative body, for 1 year after [leaving the service of the agency, represent or counsel for the termination of his or her service, accept compensation to represent or counsel a private person [upon] on any issue which was under consideration by the agency or legislative body during the public officer's or employee's service.
- → As used in this [paragraph,] subsection, "issue" includes a case, proceeding, application, contract or determination, but does not include the proposal or consideration of legislative measures or administrative regulations.
- 2. A State Legislator or a member of a local legislative body, or a public officer or employee whose public service requires less than half of his or her time, may represent or counsel a private person before an agency in which he or she does not serve. [Any other public officer or employee shall not represent or counsel a private person for compensation before any state agency of the Executive or Legislative Department.
- 3. Not later than January 15 of each year, any State Legislator or other public officer who has, within the preceding year, represented or counseled a private person for compensation before a state agency of the Executive Department shall disclose for each such representation or counseling during the previous calendar year:
- 30 (a) The name of the client;
- 31 (b) The nature of the representation; and
- 32 (c) The name of the state agency.
- 4. The disclosure required by subsection 3 must be made in 33 writing and filed with the Commission on a form prescribed by the 34 35 Commission. For the purposes of this subsection, the disclosure is timely filed if, on or before the last day for filing, the disclosure is 36 37 filed in one of the following ways:
- (a) Delivered in person to the principal office of the 38 39 Commission in Carson City.
- 40 — (b) Mailed to the Commission by first-class mail, or other class 41 of mail that is at least as expeditious, postage prepaid. Filing by mail 42 is complete upon timely depositing the disclosure with the United 43 States Postal Service.
- 44 (c) Dispatched to a third-party commercial carrier for delivery to the Commission within 3 calendar days. Filing by third-party





commercial carrier is complete upon timely depositing the disclosure with the third-party commercial carrier.

- 5. The Commission shall retain a disclosure filed pursuant to subsections 3 and 4 for 6 years after the date on which the disclosure was filed.]
  - **Sec. 20.** NRS 281A.420 is hereby amended to read as follows:
- 281A.420 1. Except as otherwise provided in this section, a public officer or employee shall not approve, disapprove, vote, abstain from voting or otherwise act upon a matter:
- (a) Regarding which the public officer or employee has accepted a gift or loan;
- (b) In which the public officer or employee has a significant personal interest;
- (c) In which the public officer or employee has a significant pecuniary interest; or
- **[(e)]** (d) Which would reasonably be affected by the public officer's or employee's commitment in a private capacity to the interest of others.
- → without disclosing [sufficient] information concerning the gift, loan, significant personal interest, significant pecuniary interest or commitment in a private capacity to the interest of others that is sufficient to inform the public of the potential effect of the action or abstention upon the person who provided the gift or loan, upon the public officer's or employee's significant personal interest or *significant* pecuniary interest, or upon the persons to whom the public officer or employee has a commitment in a private capacity. Such a disclosure must be made at the time the matter is considered. If the public officer or employee is a member of a body which makes decisions, the public officer or employee shall make the disclosure in public to the chair and other members of the body. If the public officer or employee is not a member of such a body and holds an appointive office, the public officer or employee shall make the disclosure to the supervisory head of the public officer's or employee's organization or, if the public officer holds an elective office, to the general public in the area from which the public officer is elected.
- 2. The provisions of subsection 1 do not require a public officer to disclose:
- (a) Any campaign contributions that the public officer reported in a timely manner pursuant to NRS 294A.120 or 294A.125; or
- (b) Any contributions to a legal defense fund that the public officer reported in a timely manner pursuant to NRS 294A.286.
- 3. Except as otherwise provided in [this section,] subsection 4, in addition to the requirements of subsection 1, a public officer shall not vote upon or advocate the passage or failure of, but may



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otherwise participate in the consideration of, a matter with respect to which the independence of judgment of a reasonable person in the public officer's situation would be materially affected by:

- (a) The public officer's acceptance of a gift or loan;
- (b) The public officer's significant personal interest;
- (c) The public officer's significant pecuniary interest; or

[(e)] (d) The public officer's commitment in a private capacity to the interests of others.

- 4. In interpreting and applying the provisions of subsection 3:
- (a) It must be presumed that the independence of judgment of a reasonable person in the public officer's situation would not be materially affected by the public officer's acceptance of a gift or loan, significant personal interest, significant pecuniary interest or [the public officer's] commitment in a private capacity to the interests of others where the resulting benefit or detriment accruing to the public officer, or if the public officer has a commitment in a private capacity to the interests of others, accruing to the other persons, is not greater than that accruing to any other member of [the] any general business, profession, occupation or group that is affected by the matter. The presumption set forth in this paragraph does not affect the applicability of the requirements set forth in subsection 1 relating to the disclosure of the gift or loan, significant personal interest, significant pecuniary interest or commitment in a private capacity to the interests of others.
- (b) The Commission must give appropriate weight and proper deference to the public policy of this State which [favors]:
- (1) Favors the right of a public officer to perform the duties for which the public officer was elected or appointed and to vote or otherwise act upon a matter, provided the public officer has properly disclosed the public officer's acceptance of a gift or loan, [the public officer's] significant personal interest, significant pecuniary interest or [the public officer's] commitment in a private capacity to the interests of others in the manner required by subsection 1 [. Because]; and
- (2) Acknowledges that abstention by a public officer disrupts the normal course of representative government and deprives the public and the public officer's constituents of a voice in governmental affairs. [, the provisions of this section are intended to require abstention only in clear cases where the independence of judgment of a reasonable person in the public officer's situation would be materially affected by the public officer's acceptance of a gift or loan, the public officer's pecuniary interest or the public officer's commitment in a private capacity to the interests of others.]
- 5. Except as otherwise provided in NRS 241.0355, if a public officer declares to the body or committee in which the vote is to be





taken that the public officer will abstain from voting because of the requirements of this section, the necessary quorum to act upon and the number of votes necessary to act upon the matter, as fixed by any statute, ordinance or rule, is reduced as though the member abstaining were not a member of the body or committee.

- 6. The provisions of this section do not, under any circumstances:
- (a) Prohibit a member of a local legislative body from requesting or introducing a legislative measure; or
- (b) Require a member of a local legislative body to take any particular action before or while requesting or introducing a legislative measure.
- 7. The provisions of this section do not, under any circumstances, apply to State Legislators or allow the Commission to exercise jurisdiction or authority over State Legislators. The responsibility of a State Legislator to make disclosures concerning gifts, loans, interests or commitments and the responsibility of a State Legislator to abstain from voting upon or advocating the passage or failure of a matter are governed by the Standing Rules of the Legislative Department of State Government which are adopted, administered and enforced exclusively by the appropriate bodies of the Legislative Department of State Government pursuant to Section 6 of Article 4 of the Nevada Constitution.
  - 8. As used in this section [:
- (a) "Commitment in a private capacity to the interests of others"
   means a commitment to a person:
- 27 (1) Who is a member of the public officer's or employee's household;
  - (2) Who is related to the public officer or employee by blood, adoption or marriage within the third degree of consanguinity or affinity;
- 32 (3) Who employs the public officer or employee or a member of the public officer's or employee's household;
- 34 <u>(4) With whom the public officer or employee has a</u> 35 <del>substantial and continuing business relationship; or</del>
  - (5) Any other commitment or relationship that is substantially similar to a commitment or relationship described in subparagraphs (1) to (4), inclusive, of this paragraph.
- 39 (b) "Public], "public officer" and "public employee" do not 40 include a State Legislator.
  - **Sec. 21.** NRS 281A.430 is hereby amended to read as follows:
  - 281A.430 1. [Except] Notwithstanding the provisions set forth in NRS 281.221, and except as otherwise provided in this section and NRS 281A.530 and 332.800, a public officer or employee shall not, directly or through a third party, perform any





existing contract or bid on or enter into [a] any of the following contracts:

(a) A contract between [a governmental] the agency for which the public officer or employee serves and [any]:

(1) The public officer or employee;

(2) Any business entity in which the public officer or employee has a significant pecuniary interest [.] or significant personal interest; or

(3) Any person, if the public officer or employee has a commitment in a private capacity to the interests of that person; or

- (b) A contract between an agency that has any connection, relation or affiliation with the agency which the public officer or employee serves if the duties or services to be performed or provided for the agency pursuant to the contract are the same or similar duties performed by the public officer or employee for the agency he or she serves and:
  - (1) The public officer or employee;
- (2) Any business entity in which the public officer or employee has a significant pecuniary interest or significant personal interest; or
- (3) Any person, if the public officer or employee has a commitment in a private capacity to the interests of that person.
- 2. [A member of any board, commission or similar body who is engaged in the profession, occupation or business regulated by such board, commission or body may, in the ordinary course of his or her business, bid on or enter into a contract with any governmental agency, except the board, commission or body on which he or she is a member, if the member has not taken part in developing the contract plans or specifications and the member will not be personally involved in opening, considering or accepting offers.] A public officer or employee may perform an existing contract or bid on or enter into a contract with an agency for which he or she serves, or a related agency as described in paragraph (b) of subsection 1, if for the type of contract:

(a) Which is subject to competitive selection:

- (1) The contracting process is controlled by the rules of open competitive bidding or the rules of open competitive bidding are not used as a result of the applicability of NRS 332.112 or 332.148;
- (2) The sources of supply are limited or no other person expresses an interest in the contract;
- (3) The public officer or employee does not take part in developing the contract plans or specifications; and
- (4) The public officer or employee is not personally involved in opening, considering or accepting offers.





- (b) Which, by its nature, is not adapted to be awarded by competitive selection:
- (1) The public officer or employee does not take part in developing the contract plans or specifications and is not personally involved in opening, considering or accepting offers; and

### (2) The contract:

- (I) Has been approved by the agency through the application of internal procedures in which a public officer or employee may obtain approval to engage in such contracts; or
- (II) Is not exclusive to the public officer or employee and is the type of contract that is available to all persons with the requisite qualifications.
- 3. A full- or part-time faculty member or employee of the Nevada System of Higher Education may *perform an existing contract or* bid on or enter into a contract with [a governmental] an agency, or may benefit financially or otherwise from a contract between [a governmental] an agency and a private entity, if the contract complies with the policies established by the Board of Regents of the University of Nevada pursuant to NRS 396.255.
- 4. [A public officer or employee, other than a public officer or employee described in subsection 2 or 3, may bid on or enter into a contract with a governmental agency if:
- (a) The contracting process is controlled by the rules of open competitive bidding or the rules of open competitive bidding are not employed as a result of the applicability of NRS 332.112 or 332.148:
- (b) The sources of supply are limited;
- 29 (c) The public officer or employee has not taken part in developing the contract plans or specifications; and
- 31 (d) The public officer or employee will not be personally involved in opening, considering or accepting offers.
  - requirements of NRS 281A.420, shall disclose the public officer's interest in the contract.
  - 5. The Commission may relieve a public officer or employee from the strict application of the provisions of this section if:
  - (a) The current or former public officer or employee requests an opinion from the Commission in accordance with the provisions set forth in NRS 281A.440; and





- (b) The Commission determines that such relief would not be contrary to:
  - (1) The best interests of the public;
  - (2) The continued ethical integrity of the agency; and
  - (3) The provisions of this chapter.
- 6. As used in this section, "contract which by its nature is not adapted to be awarded by competitive selection" includes, without limitation, a contract for:
- (a) Services which may only be contracted from a sole or limited source;
- (b) Professional services, including, without limitation, a contract for the services of:
  - (1) An expert witness;
  - (2) A professional engineer;
  - (3) A registered architect;
  - (4) An attorney;

- (5) An accountant; or
- (6) Any other professional, if the services of that professional are not adapted to competitive selection;
- (c) Services necessitated by an emergency affecting the national, state or local defense or an emergency caused by a natural or human-caused disaster or any other unforeseeable circumstances; or
- (d) Any other contract which is open or available to the public at large.
  - Sec. 22. NRS 281A.440 is hereby amended to read as follows:
- 281A.440 1. The Commission shall render an opinion interpreting the statutory ethical standards and apply the standards to a given set of facts and circumstances within 45 days after receiving a request, on a form prescribed by the Commission, from a public officer or employee who is seeking guidance on questions which directly relate to the propriety of the requester's own past, present or future conduct as an officer or employee, unless the public officer or employee waives the time limit. [The public officer or employee may also request the Commission to hold a public hearing regarding the requested opinion.] If a requested opinion relates to the propriety of the requester's own present or future conduct, the opinion of the Commission is:
- (a) Binding upon the requester as to the requester's future conduct; and
- (b) Final and subject to judicial review pursuant to NRS 233B.130, except that a proceeding regarding this review must be held in closed court without admittance of persons other than those necessary to the proceeding, unless this right to confidential proceedings is waived by the requester.





- 2. The Commission may render an opinion interpreting the statutory ethical standards and apply the standards to a given set of facts and circumstances:
  - (a) Upon request from a specialized or local ethics committee.
- (b) Except as otherwise provided in this subsection, upon request from a person, if the requester submits:
- (1) The request on a form prescribed by the Commission; and
- (2) All related evidence deemed necessary by the Executive Director and the investigatory panel to make a determination of whether there is just and sufficient cause to render an opinion in the matter.
- (c) Upon the Commission's own motion regarding the propriety of conduct by a public officer or employee. The Commission shall not initiate proceedings pursuant to this paragraph based solely upon an anonymous complaint.
- → The Commission shall not render an opinion interpreting the statutory ethical standards or apply those standards to a given set of facts and circumstances if the request is submitted by a person who is incarcerated in a correctional facility in this State.
- Upon receipt of a request for an opinion by the Commission or upon the motion of the Commission pursuant to subsection 2, the Executive Director shall investigate the facts and circumstances relating to the request to determine whether there is just and sufficient cause for the Commission to render an opinion in the matter. The Executive Director shall notify the public officer or employee who is the subject of the request and provide the public officer or employee an opportunity to submit to the Executive Director a response to the allegations against the public officer or employee within 30 days after the date on which the public officer or employee received the notice of the request. The purpose of the response is to provide the Executive Director with any information relevant to the request which the public officer or employee believes may assist the Executive Director and the investigatory panel in conducting the investigation. The public officer or employee is not required in the response or in any proceeding before the investigatory panel to assert, claim or raise any objection or defense, in law or fact, to the allegations against the public officer or employee and no objection or defense, in law or fact, is waived, abandoned or barred by the failure to assert, claim or raise it in the response or in any proceeding before the investigatory panel.
- 4. [The] Except as otherwise provided in subsection 6, the Executive Director shall complete [the] his or her investigation and present a written recommendation relating to just and sufficient cause, including, without limitation, the specific evidence or



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reasons that support the recommendation, to the investigatory panel within 70 days after the receipt of or the motion of the Commission for the request, unless the public officer or employee waives this time limit. [If, after the investigation, the Executive Director determines that there is just and sufficient cause for the Commission to render an opinion in the matter, the Executive Director shall state such a recommendation in writing, including, without limitation, the specific evidence that supports the Executive Director's recommendation. If, after the investigation, the Executive Director determines that there is not just and sufficient cause for the Commission to render an opinion in the matter, the Executive Director shall state such a recommendation in writing, including, without limitation, the specific reasons for the Executive Director's recommendation.]

- 5. [Within] Except as otherwise provided in subsection 6, within 15 days after the Executive Director has provided the [Executive Director's] recommendation in the matter to the investigatory panel  $\bigcap$  pursuant to subsection 4, the investigatory panel shall conclude the investigation and make a final determination regarding whether there is just and sufficient cause for the Commission to render an opinion in the matter, unless the public officer or employee waives this time limit. The investigatory panel shall not determine that there is just and sufficient cause for the Commission to render an opinion in the matter unless the Executive Director has provided the public officer or employee an opportunity to respond to the allegations against the public officer or employee as required by subsection 3. The investigatory panel shall cause a record of its proceedings in each matter to be kept, and such a record must remain confidential until the investigatory panel determines whether there is just and sufficient cause for the Commission to render an opinion in the matter.
- 6. In the event of the disqualification or recusal of the Executive Director from a matter, the Chair of the Commission shall designate a person to fulfill the duties of the Executive Director which are prescribed in subsections 4 and 5 and which relate to the matter.
- 7. If the investigatory panel determines that there is just and sufficient cause for the Commission to render an opinion in the matter, the Commission shall hold a hearing and render an opinion in the matter within 60 days after the determination of just and sufficient cause by the investigatory panel, unless the public officer or employee waives this time limit.
- [7.] 8. Each request for an opinion that a public officer or employee submits to the Commission pursuant to subsection 1, each opinion rendered by the Commission in response to such a request





and any motion, determination, evidence or record of a hearing relating to such a request are confidential unless the public officer or employee who requested the opinion:

- (a) Acts in contravention of the opinion, in which case the Commission may disclose the request for the opinion, the contents of the opinion and any motion, evidence or record of a hearing related thereto:
- (b) Discloses the request for the opinion, the contents of the opinion, or any motion, evidence or record of a hearing related thereto; or
- (c) Requests the Commission to disclose the request for the opinion, the contents of the opinion, or any motion, evidence or record of a hearing related thereto.
- [8.] 9. Except as otherwise provided in this subsection, each document in the possession of the Commission or its staff that is related to a request for an opinion regarding a public officer or employee submitted to or initiated by the Commission pursuant to subsection 2, including, without limitation, the Commission's copy of the request and all materials and information gathered in an investigation of the request, is confidential until the investigatory panel determines whether there is just and sufficient cause to render an opinion in the matter. The public officer or employee who is the subject of a request for an opinion submitted or initiated pursuant to subsection 2 may in writing authorize the Commission to make its files, material and information which are related to the request publicly available.
- [9. Except as otherwise provided in paragraphs (a) and (b), the proceedings of the investigatory panel are confidential until the investigatory panel determines whether there is just and sufficient cause to render an opinion in the matter. A person who:
- (a) Requests an opinion from the Commission pursuant to paragraph (b) of subsection 2 may:
- (1) At any time, reveal to a third party the alleged conduct of a public officer or employee underlying the request that the person filed with the Commission or the substance of testimony, if any, that the person gave before the Commission.
- (2) After the investigatory panel determines whether there is just and sufficient cause to render an opinion in the matter, reveal to a third party the fact that the person requested an opinion from the Commission.
- (b) Gives testimony before the Commission may:
- (1) At any time, reveal to a third party the substance of testimony that the person gave before the Commission. 43
  - (2) After the investigatory panel determines whether there is just and sufficient cause to render an opinion in the matter, reveal to



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a third party the fact that the person gave testimony before the Commission.]

- 10. Whenever the Commission holds a hearing pursuant to this section, the Commission shall:
- (a) Notify the person about whom the opinion was requested of the place and time of the Commission's hearing on the matter;
  - (b) Allow the person to be represented by counsel; and
- (c) Allow the person to hear the evidence presented to the Commission and to respond and present evidence on the person's own behalf.
- → The Commission's hearing may be held no sooner than 10 days after the notice is given unless the person agrees to a shorter time.
- 11. If a person who is not a party to a hearing before the Commission, including, without limitation, a person who has requested an opinion pursuant to paragraph (a) or (b) of subsection 2, wishes to ask a question of a witness at the hearing, the person must submit the question to the Executive Director in writing. The Executive Director may submit the question to the Commission if the Executive Director deems the question relevant and appropriate. This subsection does not require the Commission to ask any question submitted by a person who is not a party to the proceeding.
- 12. If a person who requests an opinion pursuant to subsection 1 or 2 does not:
  - (a) Submit all necessary information to the Commission; and
- (b) Declare by oath or affirmation that the person will testify truthfully,
- → the Commission may decline to render an opinion.
- 13. For good cause shown, the Commission may take testimony from a person by telephone or video conference.
- 14. For the purposes of NRS 41.032, the members of the Commission and its employees shall be deemed to be exercising or performing a discretionary function or duty when taking an action related to the rendering of an opinion pursuant to this section.
- 15. A meeting or hearing that the Commission or the investigatory panel holds to receive information or evidence concerning the propriety of the conduct of a public officer or employee pursuant to this section and the deliberations of the Commission and the investigatory panel on such information or evidence are not subject to the provisions of chapter 241 of NRS.
  - **Sec. 23.** NRS 281A.470 is hereby amended to read as follows:
- 281A.470 1. Any department, board, commission or other agency of the State or the governing body of a county or an incorporated city may establish a specialized or local ethics committee to complement the functions of the Commission. A specialized or local ethics committee may:





- (a) Establish a code of ethical standards suitable for the particular ethical problems encountered in its sphere of activity. The standards may not be less restrictive than the statutory ethical standards.
- (b) Render an opinion upon the request of any public officer or employee of its own organization or level seeking an interpretation of its ethical standards on questions directly related to the propriety of the public officer's or employee's own future official conduct or refer the request to the Commission. Any public officer or employee subject to the jurisdiction of the committee shall direct the public officer's or employee's inquiry to that committee instead of the Commission.
- (c) Require the filing of statements of financial disclosure by public officers on forms prescribed by the committee or the city clerk if the form has been:
- (1) Submitted, at least 60 days before its anticipated distribution, to the [Commission] Secretary of State for review; and
- (2) Upon review, approved by the [Commission.] Secretary of State.
- 2. A specialized or local ethics committee shall not attempt to interpret or render an opinion regarding the statutory ethical standards.
- 3. Each request for an opinion submitted to a specialized or local ethics committee, each hearing held to obtain information on which to base an opinion, all deliberations relating to an opinion, each opinion rendered by a committee and any motion relating to the opinion are confidential unless:
- (a) The public officer or employee acts in contravention of the opinion; or
  - (b) The requester discloses the content of the opinion.
  - Sec. 24. NRS 281A.500 is hereby amended to read as follows:
- 281A.500 1. On or before the date on which a public officer takes his or her oath of office, the public officer must be informed of the duty to file an acknowledgment of ethical standards in accordance with this section by:
- (a) For an appointed public officer, the appointing authority of the public officer; and
  - (b) For an elected public officer of, as applicable:
- (1) The county and other local governments within the county other than cities, the county clerk;
  - (2) The city, the city clerk;
- (3) The Legislative Department, the Director of the Legislative Counsel Bureau; and
- (4) The Executive Department, the Chief of the Budget Division of the Department of Administration.





2. Within 30 days of becoming a public employee:

(a) The Director of the Department of Personnel, or his or her designee, shall inform each new public employee of the State of the applicable provisions of this chapter; and

(b) The manager of each county, city or town, or his or her designee, shall inform each new public employee of the local government in his or her jurisdiction of the applicable provisions

of this chapter.

- 3. Within 6 months after the date on which a public officer takes his or her oath of office or a public employee begins employment, the public officer or employee shall complete a course on ethics in government law that is conducted by the Executive Director pursuant to NRS 281A.240 or by a designee of the Executive Director.
- **4.** Each public officer shall acknowledge that the public officer:
- (a) Has received, read and understands the statutory ethical standards; and
- (b) Has a responsibility to inform himself or herself of any amendments to the statutory ethical standards as soon as reasonably practicable after each session of the Legislature.
  - [2.] 5. The acknowledgment must be executed on a form prescribed by the Commission and must be filed with the Commission:
  - (a) If the public officer is elected to office at the general election, on or before January 15 of the year following the public officer's election.
  - (b) If the public officer is elected to office at an election other than the general election or is appointed to office, on or before the 30th day following the date on which the public officer takes office.
  - [3.] 6. Except as otherwise provided in this subsection, a public officer shall execute and file the acknowledgment once for each term of office. If the public officer serves at the pleasure of the appointing authority and does not have a definite term of office, the public officer, in addition to executing and filing the acknowledgment after the public officer takes office in accordance with subsection [2.] 5, shall execute and file the acknowledgment on or before January 15 of each even-numbered year while the public officer holds that office.
  - [4.] 7. For the purposes of this section, the acknowledgment is timely filed if, on or before the last day for filing, the acknowledgment is filed in one of the following ways:
  - (a) Delivered in person to the principal office of the Commission in Carson City.





- (b) Mailed to the Commission by first-class mail, or other class of mail that is at least as expeditious, postage prepaid. Filing by mail is complete upon timely depositing the acknowledgment with the United States Postal Service.
- (c) Dispatched to a third-party commercial carrier for delivery to the Commission within 3 calendar days. Filing by third-party commercial carrier is complete upon timely depositing the acknowledgment with the third-party commercial carrier.
- [5.] 8. The form for making the acknowledgment must contain:
- (a) The address of the Internet website of the Commission where a public officer may view the statutory ethical standards and print a hard copy; and
- (b) The telephone number and mailing address of the Commission where a public officer may make a request to obtain a hard copy of the statutory ethical standards from the Commission.
- [6.] 9. Whenever the Commission, or any public officer or employee as part of the public officer's or employee's official duties, provides a public officer with a hard copy of the form for making the acknowledgment, a hard copy of the statutory ethical standards must be included with the form.
- [7.] 10. The Commission shall retain each acknowledgment filed pursuant to this section for 6 years after the date on which the acknowledgment was filed.
- [8.] 11. Willful refusal to execute and file the acknowledgment required by this section shall be deemed to be:
- (a) A willful violation of this chapter for the purposes of NRS 281A.480; and
- (b) Nonfeasance in office for the purposes of NRS 283.440 and, if the public officer is removable from office pursuant to NRS 283.440, the Commission may file a complaint in the appropriate court for removal of the public officer pursuant to that section. This paragraph grants an exclusive right to the Commission, and no other person may file a complaint against the public officer pursuant to NRS 283.440 based on any violation of this section.
- [9.] 12. As used in this section, "general election" has the meaning ascribed to it in NRS 293.060.
  - Sec. 25. NRS 281A.550 is hereby amended to read as follows:
- 281A.550 1. A former member of the Public Utilities Commission of Nevada shall not:
- (a) Be employed by a public utility or parent organization or subsidiary of a public utility; or
- (b) Appear before the Public Utilities Commission of Nevada to testify on behalf of a public utility or parent organization or subsidiary of a public utility,





- → for 1 year after the termination of the member's service on the Public Utilities Commission of Nevada.
- 2. A former member of the State Gaming Control Board or the Nevada Gaming Commission shall not:
- (a) Appear before the State Gaming Control Board or the Nevada Gaming Commission on behalf of a person who holds a license issued pursuant to chapter 463 or 464 of NRS or who is required to register with the Nevada Gaming Commission pursuant to chapter 463 of NRS; or
  - (b) Be employed by such a person,

- → for 1 year after the termination of the member's service on the State Gaming Control Board or the Nevada Gaming Commission.
- 3. In addition to the prohibitions set forth in subsections 1 and 2, and except as otherwise provided in subsections 4 and 6, a former public officer or employee of [a board, commission, department, division or other agency of the Executive Department of State Government,] an agency, except a clerical employee, shall not solicit or accept employment from a business or industry whose activities are governed by regulations adopted by the [board, commission, department, division or other] agency for 1 year after the termination of the former public officer's or employee's service or period of employment if:
- (a) The former public officer's or employee's principal duties included the formulation of policy contained in the regulations governing the business or industry;
- (b) During the immediately preceding year, the former public officer or employee directly performed activities, or controlled or influenced an audit, decision, investigation or other action, which significantly affected the business or industry which might, but for this section, employ the former public officer or employee; or
- (c) As a result of the former public officer's or employee's governmental service or employment, the former public officer or employee possesses knowledge of the trade secrets of a direct business competitor.
- 4. The provisions of subsection 3 do not apply to a former public officer who was a member of [a board, commission or similar body of the State] an agency if:
- (a) The former public officer is engaged in the profession, occupation or business regulated by the [board, commission or similar body;] agency;
- (b) The former public officer holds a license issued by the [board, commission or similar body;] agency; and
- (c) Holding a license issued by the [board, commission or similar body] agency is a requirement for membership on the board, commission or similar body.





- 5. Except as otherwise provided in subsection 6, a former public officer or employee of [the State or a political subdivision,] an agency, except a clerical employee, shall not solicit or accept employment from a person to whom a contract for supplies, materials, equipment or services was awarded by the [State or political subdivision, as applicable,] agency for 1 year after the termination of the officer's or employee's service or period of employment, if:
  - (a) The amount of the contract exceeded \$25,000;
- (b) The contract was awarded within the 12-month period immediately preceding the termination of the officer's or employee's service or period of employment; and
- (c) The position held by the former public officer or employee at the time the contract was awarded allowed the former public officer or employee to affect or influence the awarding of the contract.
- 6. [A current or former public officer or employee may request that the Commission apply the relevant facts in that person's case to the provisions of subsection 3 or 5, as applicable, and determine whether relief from the strict application of those provisions is proper. If the] The Commission may relieve a current or former public officer or employee from the strict application of the provisions of subsection 3 or 5 if:
- (a) The current or former public officer or employee requests an opinion from the Commission pursuant to NRS 281A.440; and
- (b) The Commission determines that such relief [from the strict application of the provisions of subsection 3 or 5, as applicable,] is not contrary to:
  - $\frac{(1)}{(1)}$  The best interests of the public;
- [(b)] (2) The continued ethical integrity of the [State Government or political subdivision, as applicable;] agency that employs or employed, as applicable, the current or former public officer or employee; and
  - (3) The provisions of this chapter.
- it may issue an opinion to that effect and grant such relief. The opinion of the Commission in such a case is final and subject to judicial review pursuant to NRS 233B.130, except that a proceeding regarding this review must be held in closed court without admittance of persons other than those necessary to the proceeding, unless this right to confidential proceedings is waived by the current or former public officer or employee.
- 7. Each request for an opinion that a current or former public officer or employee submits to the Commission pursuant to subsection 6, each opinion rendered by the Commission in response to such a request and any motion, determination, evidence or record of a hearing relating to such a request are confidential unless the





current or former public officer or employee who requested the opinion:

- (a) Acts in contravention of the opinion, in which case the Commission may disclose the request for the opinion, the contents of the opinion and any motion, evidence or record of a hearing related thereto;
- (b) Discloses the request for the opinion, the contents of the opinion or any motion, evidence or record of a hearing related thereto; or
- (c) Requests the Commission to disclose the request for the opinion, the contents of the opinion, or any motion, evidence or record of a hearing related thereto.
- 8. A meeting or hearing that the Commission or an investigatory panel holds to receive information or evidence concerning the propriety of the conduct of a current or former public officer or employee pursuant to this section and the deliberations of the Commission and the investigatory panel on such information or evidence are not subject to the provisions of chapter 241 of NRS.
- 9.] 7. As used in this section, "regulation" has the meaning ascribed to it in NRS 233B.038 and also includes regulations adopted by [a board, commission, department, division or other agency of the Executive Department of State Government] an agency that is exempted from the requirements of chapter 233B of NRS.
- **Sec. 26.** NRS 281A.600 is hereby amended to read as follows: 281A.600 1. Except as otherwise provided in subsection 2, if a public officer who was appointed to the office for which the public officer is serving is entitled to receive annual compensation of \$6,000 or more for serving in that office, the public officer shall file with the [Commission] Secretary of State a statement of financial disclosure, as follows:
- (a) A public officer appointed to fill the unexpired term of an elected or appointed public officer shall file a statement of financial disclosure within 30 days after the public officer's appointment.
- (b) Each public officer appointed to fill an office shall file a statement of financial disclosure on or before January 15 of each year of the term, including the year the term expires.
- The statement must disclose the required information for the full calendar year immediately preceding the date of filing.
- 2. If a person is serving in a public office for which the person is required to file a statement pursuant to subsection 1, the person may use the statement the person files for that initial office to satisfy the requirements of subsection 1 for every other public office to which the person is appointed and in which the person is also serving.





- 3. A judicial officer who is appointed to fill the unexpired term of a predecessor or to fill a newly created judgeship shall file a statement of financial disclosure pursuant to the requirements of Canon 4I of the Nevada Code of Judicial Conduct. Such a statement of financial disclosure must include, without limitation, all information required to be included in a statement of financial disclosure pursuant to NRS 281A.620.
- 4. [The Commission shall provide written notification to the Secretary of State of the public officers who failed to file the statements of financial disclosure required by subsection 1 or who failed to file those statements in a timely manner. The notice must be sent within 30 days after the deadlines set forth in subsection 1 and must include:
- (a) The name of each public officer who failed to file a statement of financial disclosure within the period before the notice is sent;
- (b) The name of each public officer who filed a statement of financial disclosure after the deadlines set forth in subsection 1 but within the period before the notice is sent;
- (c) For the first notice sent after the public officer filed a statement of financial disclosure, the name of each public officer who filed a statement of financial disclosure after the deadlines set forth in subsection 1 but within the period before the notice is sent; and
- (d) For each public officer listed in paragraph (c), the date on which the statement of financial disclosure was due and the date on which the public officer filed the statement.
- 5. In addition to the notice provided pursuant to subsection 4, the Commission shall notify the Secretary of State of each public officer who files a statement of financial disclosure more than 30 days after the deadlines set forth in subsection 1. The notice must include the information described in paragraphs (c) and (d) of subsection 4.
- 6.] A statement of financial disclosure shall be deemed to be filed with the [Commission:] Secretary of State:
  - (a) On the date that it was mailed if it was sent by certified mail; or
  - (b) On the date that it was received by the **[Commission] Secretary of State** if the statement was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.
    - Sec. 27. NRS 281A.610 is hereby amended to read as follows:
  - 281A.610 1. Except as otherwise provided in subsection 2, each candidate for public office who will be entitled to receive annual compensation of \$6,000 or more for serving in the office that





the candidate is seeking and, except as otherwise provided in subsection 3, each public officer who was elected to the office for which the public officer is serving shall file with the Secretary of State a statement of financial disclosure, as follows:

- (a) A candidate for nomination, election or reelection to public office shall file a statement of financial disclosure no later than the 10th day after the last day to qualify as a candidate for the office. The statement must disclose the required information for the full calendar year immediately preceding the date of filing and for the period between January 1 of the year in which the election for the office will be held and the last day to qualify as a candidate for the office. The filing of a statement of financial disclosure for a portion of a calendar year pursuant to this paragraph does not relieve the candidate of the requirement of filing a statement of financial disclosure for the full calendar year pursuant to paragraph (b) in the immediately succeeding year, if the candidate is elected to the office.
- (b) Each public officer shall file a statement of financial disclosure on or before January 15 of each year of the term, including the year the term expires. The statement must disclose the required information for the full calendar year immediately preceding the date of filing.
- 2. Except as otherwise provided in this subsection, if a candidate for public office is serving in a public office for which the candidate is required to file a statement pursuant to paragraph (b) of subsection 1 or subsection 1 of NRS 281A.600, the candidate need not file the statement required by subsection 1 for the full calendar year for which the candidate previously filed a statement. The provisions of this subsection do not relieve the candidate of the requirement pursuant to paragraph (a) of subsection 1 to file a statement of financial disclosure for the period between January 1 of the year in which the election for the office will be held and the last day to qualify as a candidate for the office.
- 3. A person elected pursuant to NRS 548.285 to the office of supervisor of a conservation district is not required to file a statement of financial disclosure relative to that office pursuant to subsection 1.
- 4. A candidate for judicial office or a judicial officer shall file a statement of financial disclosure pursuant to the requirements of Canon 4I of the Nevada Code of Judicial Conduct. Such a statement of financial disclosure must include, without limitation, all information required to be included in a statement of financial disclosure pursuant to NRS 281A.620.
- 5. A statement of financial disclosure shall be deemed to be filed with the Secretary of State:





- (a) On the date that it was mailed if it was sent by certified mail; or
  - (b) On the date that it was received by the Secretary of State if the statement was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.
  - 6. The statement of financial disclosure filed pursuant to this section must be filed on [the] a form prescribed by the [Commission pursuant to NRS 281A.290.] Secretary of State.
  - 7. The Secretary of State shall prescribe, by regulation, procedures for the submission of statements of financial disclosure filed pursuant to this section, maintain files of such statements and make the statements available for public inspection.
  - **Sec. 28.** NRS 281A.620 is hereby amended to read as follows: 281A.620 1. Statements of financial disclosure, as approved pursuant to NRS 281A.470 or in such form as the [Commission] Secretary of State otherwise prescribes, must contain the following information concerning the candidate for public office or public officer:
  - (a) The candidate's or public officer's length of residence in the State of Nevada and the district in which the candidate for public office or public officer is registered to vote.
  - (b) Each source of the candidate's or public officer's income, or that of any member of the candidate's or public officer's household who is 18 years of age or older. No listing of individual clients, customers or patients is required, but if that is the case, a general source such as "professional services" must be disclosed.
  - (c) A list of the specific location and particular use of real estate, other than a personal residence:
  - (1) In which the candidate for public office or public officer or a member of the candidate's or public officer's household has a legal or beneficial interest;
    - (2) Whose fair market value is \$2,500 or more; and
    - (3) That is located in this State or an adjacent state.
  - (d) The name of each creditor to whom the candidate for public office or public officer or a member of the candidate's or public officer's household owes \$5,000 or more, except for:
  - (1) A debt secured by a mortgage or deed of trust of real property which is not required to be listed pursuant to paragraph (c); and
  - (2) A debt for which a security interest in a motor vehicle for personal use was retained by the seller.
  - (e) If the candidate for public office or public officer has received gifts in excess of an aggregate value of \$200 from a donor during the preceding taxable year, a list of all such gifts, including the identity of the donor and value of each gift, except:





- (1) A gift received from a person who is related to the candidate for public office or public officer within the third degree of consanguinity or affinity.
- (2) Ceremonial gifts received for a birthday, wedding, anniversary, holiday or other ceremonial occasion if the donor does not have a substantial interest in the legislative, administrative or political action of the candidate for public office or public officer.
- (f) A list of each business entity with which the candidate for public office or public officer or a member of the candidate's or public officer's household is involved as a trustee, beneficiary of a trust, director, officer, owner in whole or in part, limited or general partner, or holder of a class of stock or security representing 1 percent or more of the total outstanding stock or securities issued by the business entity.
- (g) A list of all public offices presently held by the candidate for public office or public officer for which this statement of financial disclosure is required.
- The [Commission] Secretary of State shall distribute or cause to be distributed the forms required for such a statement to each candidate for public office and public officer who is required to file one. The [Commission] Secretary of State is not responsible for the costs of producing or distributing a form for filing statements of financial disclosure which is prescribed pursuant to subsection 1 of NRS 281A.470.
- 3. As used in this section, "member of the candidate's or public 26 officer's household" includes:
  - (a) The spouse of the candidate for public office or public officer;
  - (b) A person who does not live in the same home or dwelling, but who is dependent on and receiving substantial support from the candidate for public office or public officer; and
  - (c) A person who lived in the home or dwelling of the candidate for public office or public officer for 6 months or more in the year immediately preceding the year in which the candidate for public office or public officer files the statement of financial disclosure.
    - **Sec. 29.** NRS 281A.630 is hereby amended to read as follows:
  - 281A.630 1. Except as otherwise provided in subsection 2, statements of financial disclosure required by the provisions of NRS 281A.600, 281A.610 and 281A.620 must be retained by the [Commission or] Secretary of State for 6 years after the date of filing.
  - 2. For public officers who serve more than one term in either the same public office or more than one public office, the period prescribed in subsection 1 begins on the date of the filing of the last statement of financial disclosure for the last public office held.



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**Sec. 30.** NRS 281A.640 is hereby amended to read as follows: 281A.640 1. A list of each public officer who is required to file a statement of financial disclosure must be submitted electronically [to the Commission and] to the Secretary of State, in a form prescribed by the [Commission,] Secretary of State, on or before December 1 of each year by:

- (a) Each county clerk for all public officers of the county and other local governments within the county other than cities;
  - (b) Each city clerk for all public officers of the city;
- (c) The Director of the Legislative Counsel Bureau for all public officers of the Legislative Branch; and
  - (d) The Chief of the Budget Division of the Department of Administration for all public officers of the Executive Branch.
  - 2. [The Secretary of State, each county clerk, or the registrar of voters of the county if one was appointed pursuant to NRS 244.164, and each city clerk shall submit electronically to the Commission, and each] Each county clerk, or the registrar of voters of the county if one was appointed pursuant to NRS 244.164, and each city clerk shall submit electronically to the Secretary of State, in a form prescribed by the [Commission,] Secretary of State, a list of each candidate for public office who filed a declaration of candidacy or acceptance of candidacy with that officer within 10 days after the last day to qualify as a candidate for the applicable office.

**Sec. 31.** NRS 281A.650 is hereby amended to read as follows:

281A.650 The Secretary of State and each county clerk, or the registrar of voters of the county if one was appointed pursuant to NRS 244.164, or city clerk who receives from a candidate for public office a declaration of candidacy, acceptance of candidacy or certificate of candidacy shall give to the candidate the form prescribed by the [Commission] Secretary of State for the making of a statement of financial disclosure, accompanied by instructions on how to complete the form, where it must be filed and the time by which it must be filed.

Sec. 32. NRS 281A.660 is hereby amended to read as follows:

281A.660 1. If [the Secretary of State receives information that] a candidate for public office or public officer willfully fails to file a statement of financial disclosure or willfully fails to file a statement of financial disclosure in a timely manner pursuant to NRS 281A.600 or 281A.610, 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 candidate for public office or public officer who willfully fails to file a statement of financial disclosure or willfully fails to file a statement of financial disclosure in a timely manner pursuant to NRS 281A.600





or 281A.610 is subject to a civil penalty 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. The amount of the civil penalty is:

- (a) If the statement is filed not more than 10 days after the applicable deadline set forth in subsection 1 of NRS 281A.600 or subsection 1 of NRS 281A.610, \$25.
- (b) If the statement is filed more than 10 days but not more than 20 days after the applicable deadline set forth in subsection 1 of NRS 281A.600 or subsection 1 of NRS 281A.610, \$50.
- (c) If the statement is filed more than 20 days but not more than 30 days after the applicable deadline set forth in subsection 1 of NRS 281A.600 or subsection 1 of NRS 281A.610, \$100.
- (d) If the statement is filed more than 30 days but not more than 45 days after the applicable deadline set forth in subsection 1 of NRS 281A.600 or subsection 1 of NRS 281A.610, \$250.
- (e) If the statement is not filed or is filed more than 45 days after the applicable deadline set forth in subsection 1 of NRS 281A.600 or subsection 1 of NRS 281A.610, \$2,000.
- 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.
- 5. As used in this section, "willfully" means intentionally and knowingly.
- **Sec. 33.** 1. Any administrative regulations adopted by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity remain in force until amended by the officer, agency or other entity to which the responsibility for the adoption of the regulations has been transferred.
- 2. Any contracts or other agreements entered into by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity are binding upon the officer, agency or other entity to which the responsibility for the





administration of the provisions of the contract or other agreement has been transferred. Such contracts and other agreements may be enforced by the officer, agency or other entity to which the responsibility for the enforcement of the provisions of the contract or other agreement has been transferred.

3. Any action taken by an officer, agency or other entity whose name has been changed or whose responsibilities have been transferred pursuant to the provisions of this act to another officer, agency or other entity remains in effect as if taken by the officer, agency or other entity to which the responsibility for the enforcement of such actions has been transferred.

**Sec. 34.** The Legislative Counsel shall, in preparing:

- 1. The reprint and supplement to the Nevada Revised Statutes with respect to any section which is not amended by this act or adopted or amended by another act, appropriately change any references to an officer, agency or other entity whose name is changed or whose duties are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity. If any internal reference is made to a section repealed by this act, the Legislative Counsel shall delete the reference and replace it by reference to the superseding section, if any.
- 2. Supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose duties are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

Sec. 35. NRS 281A.540 is hereby repealed.

### TEXT OF REPEALED SECTION

281A.540 Governmental grant, contract or lease and certain actions taken in violation of chapter are voidable; prohibited contract is void; recovery of benefit received as result of violation.

1. In addition to any other penalties provided by law, a governmental grant, contract or lease entered into in violation of this chapter is voidable by the State, county, city or political subdivision. In a determination under this section of whether to void a grant, contract or lease, the interests of innocent third parties who could be damaged must be taken into account. The Attorney General, district attorney or city attorney must give notice of the intent to void a grant, contract or lease under this section no later than 30 days after





the Commission has determined that there has been a related violation of this chapter.

- 2. In addition to any other penalties provided by law, a contract prohibited by NRS 281.230 which is knowingly entered into by a person designated in subsection 1 of NRS 281.230 is void.
- 3. Any action taken by the State in violation of this chapter is voidable, except that the interests of innocent third parties in the nature of the violation must be taken into account. The Attorney General may also pursue any other available legal or equitable remedies.
- 4. In addition to any other penalties provided by law, the Attorney General may recover any fee, compensation, gift or benefit received by a person as a result of a violation of this chapter by a public officer. An action to recover pursuant to this section must be brought within 2 years after the violation or reasonable discovery of the violation.





