

THE ONE HUNDRED FIFTEENTH DAY

CARSON CITY (Wednesday), June 1, 2011

Assembly called to order at 3:20 p.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, Jason Frierson.

Lord, our Creator—the reason we have been blessed to represent Your children.

Hebrews 12:1-2 tells us that since we are surrounded by so great a cloud of witnesses, let us also lay aside every weight and sin which clings so closely, and let us run with endurance the race that is set before us, looking to Jesus, the founder and perfecter of our faith.

But Your word in Ecclesiastes 5:3 also says, “a dream cometh through the multitude of business; and a fool's voice is known by multitude of words.” God, bless us that we have the endurance to lay every weight aside to finish this race and complete our work through a multitude of business rather than a multitude of foolish words; and like You did when You rested on the seventh day, bless us that we might be able to rest seven days from now.

With all the Glory to You, we pray.

Amen

Pledge of allegiance to the Flag.

Assemblyman Conklin moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Ways and Means has had under consideration the various budgets for the Department of Health and Human Services, Division of Welfare and Supportive Services, and begs leave to report back that the following accounts have been closed by the Committee:

Administration (101-3228)

TANF (101-3230)

Assistance to Aged and Blind (101-3232)

Field Services (101-3233)

Child Support Enforcement Program (101-3238)

Child Support Federal Reimbursement (101-3239)

Child Assistance and Development (101-3267)

Energy Assistance Program (101-4862)

DEBBIE SMITH, *Chair*

Mr. Speaker:

Your Committee on Health and Human Services, to which was referred Senate Bill No. 54, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

APRIL MASTROLUCA, *Chair*

Mr. Speaker

Your Committee on Ways and Means, to which were referred Senate Bills Nos. 429, 442, 452, 477, 498, 499, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Ways and Means, to which was referred Senate Bill No. 475, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

DEBBIE SMITH, *Chair*

COMMUNICATIONS

MESSAGES FROM THE GOVERNOR

OFFICE OF THE GOVERNOR

May 31, 2011

SPEAKER JOHN OCEGUERA, *Nevada State Assembly*, 401 South Carson Street, Carson City, NV 89701

RE: Assembly Bill 566 of the 76th Legislative Session

DEAR MR. SPEAKER:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Assembly Bill 566, which is entitled:

AN ACT relating to elections; revising the legislative districts from which the members of the Senate and Assembly are elected; revising the districts from which Representatives in the Congress of the United States are elected; and providing other matters properly relating thereto.

This bill relates to the revision of legislative and Congressional districts in our state. On May 14, 2011, I vetoed Senate Bill 497 relating to the same subject. In my message to the President of the Senate, I stated my objections: the plan reflected in the bill did not provide for the fair representation of the people of the state of Nevada, nor did it comply with the Voting Rights Act of 1965. I veto this bill for the same reasons, incorporating by reference my letter to the President of the Senate of March 14, 2011 relating to Senate Bill 497 in support of this action.

Sincere regards,
BRIAN SANDOVAL
Governor

Mr. Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 3:27 p.m.

ASSEMBLY IN SESSION

At 3:28 p.m.

Madam Speaker pro Tempore presiding.

Quorum present.

GENERAL FILE AND THIRD READING

Assembly Bill No. 449.

Bill read third time.

Remarks by Assemblymen Ocegueda and Goicoechea.

Assemblyman Conklin moved that the following remarks be entered in the Journal.

Motion carried.

ASSEMBLYMAN OCEGUERA:

Assembly Bill 449 came together as a result of many meetings over several months between legislative leadership, the governor's office, economic development entities, and business, community, and government organizations. This bill revises the structure of the state's economic development program in several important ways.

As amended, the provisions of Assembly Bill 449 establish a new governance structure for the economic development programs of the state. The bill creates certain entities including an Advisory Council on Economic Development composed of the state's elected leaders, a Board of Economic Development to provide general guidance for the state's economic development efforts, an Office of Economic Development within the Office of Governor, and the position of Executive Director for the Office of Economic Development to create and implement a State Plan for Economic Development.

Assembly Bill 449 provides that on or after July 1, 2011, the Office of Economic Development and its Executive Director are authorized to coordinate, oversee, and reorganize the state's economic development programs to be consistent with the State Plan for Economic Development.

This bill also transfers the Commission on Economic Development's existing powers and duties to the Office of Economic Development on July 1, 2012. It also requires certain activities of the Office of Economic Development to be coordinated with certain activities of various public entities.

Assembly Bill 449 also creates the Catalyst Fund from \$10 million from the Abandoned Property Trust Account during Fiscal Year 2012 and authorizes grants or loans of money from the catalyst fund for the purposes of assisting businesses seeking to create or expand in this state in order to not only bring new businesses to the state, but to strengthen businesses that already exist here.

The bill also establishes the Knowledge Fund and a program for the development and commercialization of research and technology at the University of Nevada, Reno, the University of Nevada, Las Vegas, and the Desert Research Institute.

A.B. 449 also transfers additional authority to grant partial tax abatements to the Economic Development Office and requires the Office of Economic Development's approval prior to issuing certain revenue bonds for industrial development.

Certain provisions, including the creation of the Advisory Council on Economic Development, become effective upon passage and approval. Certain provisions, including creation of the Board of Economic Development, the Office of Economic Development and its Executive Director, the Catalyst Fund, and the Knowledge Fund, become effective July 1, 2011.

Certain other provisions, including the transfer of authority from the Commission on Economic Development to the Office of Economic Development, become effective on July 1, 2012.

Assembly Bill 449, as amended, is modeled on methods that are recommended by successful economic development experts and reflects the input of many stakeholders statewide. It represents a significant amount of work on the part of the Assembly, the Senate, and the Governor's Office. And if I may quote Governor Sandoval as he testified in the Assembly Committee on Ways and Means, "This bill redoubles efforts to make economic development an even bigger priority for the state of Nevada It is a priority for all of us." I urge your support.

ASSEMBLYMAN GOICOECHEA:

Thank you, Madam Speaker pro Tempore. I know there was a lengthy amendment that came out on this. Could you just kind of give us a thumbnail of exactly what that all does? I know what is in the bill, but just what changes that brings.

ASSEMBLYMAN OCEGUERA:

Two things, there was a considerable amount of technical adjustments in that lengthy amendment. I think it was like 93 pages long. On top of the technical adjustments, there were adjustments to the board composition and who would be represented, including who you get to pick. If you have a question, I might be able to answer it specifically.

Roll call on Assembly Bill No. 449:

YEAS—33.

NAYS—Ellison, Goedhart, Hambrick, Hammond, Hansen, Hardy, Kite, McArthur, Sherwood—9.

Assembly Bill No. 449 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Madam Speaker pro Tempore announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 3:34 p.m.

ASSEMBLY IN SESSION

At 3:35 p.m.

Mr. Speaker presiding.

Quorum present.

GENERAL FILE AND THIRD READING

Senate Bill No. 54

Read third time.

Mr. Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 3:36 p.m.

ASSEMBLY IN SESSION

At 3:38 p.m.

Mr. Speaker presiding.

Quorum present.

GENERAL FILE AND THIRD READING

Senate Bill No. 54.

Remarks by Assemblywoman Mastroluca.

Roll call on Senate Bill No. 54:

YEAS—42.

NAYS—None.

Senate Bill No. 54 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 429.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Senate Bill No. 429:

YEAS—42.

NAYS—None.

Senate Bill No. 429 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 442.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Senate Bill No. 442:

YEAS—42.

NAYS—None.

Senate Bill No. 442 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 452.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Senate Bill No. 452:

YEAS—42.

NAYS—None.

Senate Bill No. 452 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 475.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Senate Bill No. 475:

YEAS—42.

NAYS—None.

Senate Bill No. 475 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 477.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Senate Bill No. 477:

YEAS—42.

NAYS—None.

Senate Bill No. 477 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 498.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Senate Bill No. 498:

YEAS—42.

NAYS—None.

Senate Bill No. 498 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 499.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Senate Bill No. 499:

YEAS—42.

NAYS—None.

Senate Bill No. 499 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Smith moved that Assembly Bill No. 222 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 222.

Bill read third time.

Remarks by Assemblywoman Smith.

Roll call on Assembly Bill No. 222:

YEAS—42.

NAYS—None.

Assembly Bill No. 222 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

UNFINISHED BUSINESS

CONSIDERATION OF SENATE AMENDMENTS

Assembly Bill No. 328.

The following Senate amendment was read:

Amendment No. 675.

AN ACT relating to motor vehicles; providing that a person who, while violating certain rules of the road, causes a collision with a pedestrian or person riding a bicycle has committed reckless driving; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that certain conduct by a driver of a vehicle constitutes reckless driving. (NRS 484B.653) **Section 31** of this bill provides that a person who, while violating certain rules of the road relating to bicycles, pedestrians, crosswalks, school crossing guards, school zones or speeding, is the proximate cause of a collision with a pedestrian or person riding a bicycle has committed reckless driving.

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 12.3. NRS 483.460 is hereby amended to read as follows:

483.460 1. Except as otherwise provided by specific statute, the Department shall revoke the license, permit or privilege of any driver upon receiving a record of his or her conviction of any of the following offenses, when that conviction has become final, and the driver is not eligible for a license, permit or privilege to drive for the period indicated:

(a) For a period of 3 years if the offense is:

(1) A violation of subsection ~~5~~ 6 of NRS 484B.653.

(2) A third or subsequent violation within 7 years of NRS 484C.110 or 484C.120.

(3) A violation of NRS 484C.110 or 484C.120 resulting in a felony conviction pursuant to NRS 484C.400 or 484C.410.

(4) A violation of NRS 484C.430 or a homicide resulting from driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance or resulting from any other conduct prohibited by NRS 484C.110, 484C.130 or 484C.430.

➔ The period during which such a driver is not eligible for a license, permit or privilege to drive must be set aside during any period of imprisonment and the period of revocation must resume when the Department is notified pursuant to NRS 209.517 or 213.12185 that the person has completed the period of imprisonment or that the person has been placed on residential confinement or parole.

(b) For a period of 1 year if the offense is:

(1) Any other manslaughter, including vehicular manslaughter as described in NRS 484B.657, resulting from the driving of a motor vehicle or felony in the commission of which a motor vehicle is used, including the unlawful taking of a motor vehicle.

(2) Failure to stop and render aid as required pursuant to the laws of this State in the event of a motor vehicle accident resulting in the death or bodily injury of another.

(3) Perjury or the making of a false affidavit or statement under oath to the Department pursuant to NRS 483.010 to 483.630, inclusive, or pursuant to any other law relating to the ownership or driving of motor vehicles.

(4) Conviction, or forfeiture of bail not vacated, upon three charges of reckless driving committed within a period of 12 months.

(5) A second violation within 7 years of NRS 484C.110 or 484C.120 and the driver is not eligible for a restricted license during any of that period.

(6) A violation of NRS 484B.550.

(c) For a period of 90 days, if the offense is a first violation within 7 years of NRS 484C.110 or 484C.120.

2. The Department shall revoke the license, permit or privilege of a driver convicted of violating NRS 484C.110 or 484C.120 who fails to complete the educational course on the use of alcohol and controlled substances within the time ordered by the court and shall add a period of 90 days during which the driver is not eligible for a license, permit or privilege to drive.

3. When the Department is notified by a court that a person who has been convicted of a first violation within 7 years of NRS 484C.110 has been permitted to enter a program of treatment pursuant to NRS 484C.320, the Department shall reduce by one-half the period during which the person is not eligible for a license, permit or privilege to drive, but shall restore that

reduction in time if notified that the person was not accepted for or failed to complete the treatment.

4. The Department shall revoke the license, permit or privilege to drive of a person who is required to install a device pursuant to NRS 484C.460 but who operates a motor vehicle without such a device:

(a) For 3 years, if it is his or her first such offense during the period of required use of the device.

(b) For 5 years, if it is his or her second such offense during the period of required use of the device.

5. A driver whose license, permit or privilege is revoked pursuant to subsection 4 is not eligible for a restricted license during the period set forth in paragraph (a) or (b) of that subsection, whichever applies.

6. In addition to any other requirements set forth by specific statute, if the Department is notified that a court has ordered the revocation, suspension or delay in the issuance of a license pursuant to title 5 of NRS, NRS 176.064 or 206.330, chapters 484A to 484E, inclusive, of NRS or any other provision of law, the Department shall take such actions as are necessary to carry out the court's order.

7. As used in this section, "device" has the meaning ascribed to it in NRS 484C.450.

Sec. 12.5. NRS 483.490 is hereby amended to read as follows:

483.490 1. Except as otherwise provided in this section, after a driver's license has been suspended or revoked for an offense other than a second violation within 7 years of NRS 484C.110, and one-half of the period during which the driver is not eligible for a license has expired, the Department may, unless the statute authorizing the suspension prohibits the issuance of a restricted license, issue a restricted driver's license to an applicant permitting the applicant to drive a motor vehicle:

(a) To and from work or in the course of his or her work, or both; or

(b) To acquire supplies of medicine or food or receive regularly scheduled medical care for himself, herself or a member of his or her immediate family.

➡ Before a restricted license may be issued, the applicant must submit sufficient documentary evidence to satisfy the Department that a severe hardship exists because the applicant has no alternative means of transportation and that the severe hardship outweighs the risk to the public if the applicant is issued a restricted license.

2. A person who has been ordered to install a device in a motor vehicle pursuant to NRS 484C.460:

(a) Shall install the device not later than 21 days after the date on which the order was issued; and

(b) May not receive a restricted license pursuant to this section until:

(1) After at least 1 year of the period during which the person is not eligible for a license, if the person was convicted of:

(I) A violation of NRS 484C.430 or a homicide resulting from driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance or resulting from any other conduct prohibited by NRS 484C.110, 484C.130 or 484C.430; or

(II) A violation of NRS 484C.110 that is punishable as a felony pursuant to NRS 484C.410 or 484C.420;

(2) After at least 180 days of the period during which the person is not eligible for a license, if the person was convicted of a violation of subsection ~~[5]~~ 6 of NRS 484B.653; or

(3) After at least 45 days of the period during which the person is not eligible for a license, if the person was convicted of a first violation within 7 years of NRS 484C.110.

3. If the Department has received a copy of an order requiring a person to install a device in a motor vehicle pursuant to NRS 484C.460, the Department shall not issue a restricted driver's license to such a person pursuant to this section unless the applicant has submitted proof of compliance with the order and subsection 2.

4. After a driver's license has been revoked or suspended pursuant to title 5 of NRS, the Department may issue a restricted driver's license to an applicant permitting the applicant to drive a motor vehicle:

(a) If applicable, to and from work or in the course of his or her work, or both; or

(b) If applicable, to and from school.

5. After a driver's license has been suspended pursuant to NRS 483.443, the Department may issue a restricted driver's license to an applicant permitting the applicant to drive a motor vehicle:

(a) If applicable, to and from work or in the course of his or her work, or both;

(b) To receive regularly scheduled medical care for himself, herself or a member of his or her immediate family; or

(c) If applicable, as necessary to exercise a court-ordered right to visit a child.

6. A driver who violates a condition of a restricted license issued pursuant to subsection 1 or by another jurisdiction is guilty of a misdemeanor and, if the license of the driver was suspended or revoked for:

(a) A violation of NRS 484C.110, 484C.210 or 484C.430;

(b) A homicide resulting from driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance or resulting from any other conduct prohibited by NRS 484C.110, 484C.130 or 484C.430; or

(c) A violation of a law of any other jurisdiction that prohibits the same or similar conduct as set forth in paragraph (a) or (b),

→ the driver shall be punished in the manner provided pursuant to subsection 2 of NRS 483.560.

7. The periods of suspensions and revocations required pursuant to this chapter and NRS 484C.210 must run consecutively, except as otherwise provided in NRS 483.465 and 483.475, when the suspensions must run concurrently.

8. Whenever the Department suspends or revokes a license, the period of suspension, or of ineligibility for a license after the revocation, begins upon the effective date of the revocation or suspension as contained in the notice thereof.

Sec. 12.7. NRS 484B.270 is hereby amended to read as follows:

484B.270 1. The driver of a motor vehicle shall not:

(a) Intentionally interfere with the movement of a person lawfully riding a bicycle or an electric bicycle; or

(b) Overtake and pass a person riding a bicycle or an electric bicycle unless the driver can do so safely without endangering the person riding the bicycle or electric bicycle.

2. The driver of a motor vehicle shall yield the right-of-way to any person riding a bicycle or an electric bicycle on the pathway or lane. The driver of a motor vehicle shall not enter, stop, stand, park or drive within a pathway or lane provided for bicycles or electric bicycles except:

(a) When entering or exiting an alley or driveway;

(b) When operating or parking a disabled vehicle;

(c) To avoid conflict with other traffic;

(d) In the performance of official duties;

(e) In compliance with the directions of a police officer; or

(f) In an emergency.

3. Except as otherwise provided in subsection 2, the driver of a motor vehicle shall not enter or proceed through an intersection while driving within a pathway or lane provided for bicycles or electric bicycles.

4. The driver of a motor vehicle shall:

(a) Exercise due care to avoid a collision with a person riding a bicycle or an electric bicycle; and

(b) Give an audible warning with the horn of the vehicle if appropriate and when necessary to avoid such a collision.

5. *If, while violating any provision of subsections 1 to 4, inclusive, the driver of a motor vehicle is the proximate cause of a collision with a person riding a bicycle, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.*

6. The operator of a bicycle or an electric bicycle shall not:

- (a) Intentionally interfere with the movement of a motor vehicle; or
- (b) Overtake and pass a motor vehicle unless the operator can do so safely without endangering himself or herself or the occupants of the motor vehicle.

Sec. 13. NRS 484B.280 is hereby amended to read as follows:

484B.280 **1.** A driver of a motor vehicle shall:

- ~~{1-}~~ (a) Exercise due care to avoid a collision with a pedestrian;
- ~~{2-}~~ (b) Give an audible warning with the horn of the vehicle if appropriate and when necessary to avoid such a collision; and

~~{3-}~~ (c) Exercise proper caution upon observing a pedestrian ~~{on}~~ :

(1) On or near a highway, street or road ;

(2) At or near a bus stop or bench, shelter or transit stop for passengers of public mass transportation or in the act of boarding a bus or other public transportation vehicle; or ~~{in}~~

(3) In or near a school crossing zone marked in accordance with NRS 484B.363 or a marked or unmarked crosswalk.

2. *If, while violating any provision of this section, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.*

Sec. 14. NRS 484B.283 is hereby amended to read as follows:

484B.283 **1.** Except as otherwise provided in NRS 484B.287, 484B.290 and 484B.350:

~~{1-}~~ (a) When official traffic-control devices are not in place or not in operation the driver of a vehicle shall yield the right-of-way, slowing down or stopping if need be so to yield, to a pedestrian crossing the highway within a crosswalk when the pedestrian is upon the half of the highway upon which the vehicle is traveling, or when the pedestrian is approaching so closely from the opposite half of the highway as to be in danger.

~~{2-}~~ (b) A pedestrian shall not suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield.

~~{3-}~~ (c) Whenever a vehicle is stopped at a marked crosswalk or at an unmarked crosswalk at an intersection, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle until the driver has determined that the vehicle being overtaken was not stopped for the purpose of permitting a pedestrian to cross the highway.

~~{4-}~~ (d) Whenever signals exhibiting the words “Walk” or “Don’t Walk” are in place, such signals indicate as follows:

~~{a)}~~ (1) While the “Walk” indication is illuminated, pedestrians facing the signal may proceed across the highway in the direction of the signal and must be given the right-of-way by the drivers of all vehicles.

~~{b)}~~ (2) While the “Don’t Walk” indication is illuminated, either steady or flashing, a pedestrian shall not start to cross the highway in the direction

of the signal, but any pedestrian who has partially completed the crossing during the “Walk” indication shall proceed to a sidewalk, or to a safety zone if one is provided.

~~[(c)]~~ (3) Whenever the word “Wait” still appears in a signal, the indication has the same meaning as assigned in this section to the “Don’t Walk” indication.

~~[(d)]~~ (4) Whenever a signal system provides a signal phase for the stopping of all vehicular traffic and the exclusive movement of pedestrians, and “Walk” and “Don’t Walk” indications control pedestrian movement, pedestrians may cross in any direction between corners of the intersection offering the shortest route within the boundaries of the intersection when the “Walk” indication is exhibited, and when signals and other official traffic-control devices direct pedestrian movement in the manner provided in this section and in NRS 484B.307.

2. *If, while violating paragraph (a) or (c) of subsection 1, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.*

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

Sec. 19. NRS 484B.350 is hereby amended to read as follows:

484B.350 1. The driver of a vehicle:

(a) Shall stop in obedience to the direction or traffic-control signal of a school crossing guard; and

(b) Shall not proceed until the highway is clear of all persons, including, without limitation, the school crossing guard.

2. A person who violates ~~{any of the provisions of this section}~~ **subsection 1** is guilty of a misdemeanor.

3. *If, while violating subsection 1, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian or a person riding a bicycle, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.*

4. As used in this section, “school crossing guard” means a volunteer or paid employee of a local authority, local law enforcement agency or school district whose duties include assisting pupils to cross a highway.

Sec. 20. (Deleted by amendment.)

Sec. 21. NRS 484B.363 is hereby amended to read as follows:

484B.363 1. A person shall not drive a motor vehicle at a speed in excess of 15 miles per hour in an area designated as a school zone except:

(a) On a day on which school is not in session;

(b) During the period from a half hour after school is no longer in operation to a half hour before school is next in operation;

(c) If the zone is designated by an operational speed limit beacon, during the hours when the pupils of the school are in class and the yellow lights of the speed limit beacon are not flashing in the manner which indicates that the speed limit is in effect; or

(d) If the zone is not designated by an operational speed limit beacon, during the times when the sign designating the school zone indicates that the speed limit is not in effect.

2. A person shall not drive a motor vehicle at a speed in excess of 25 miles per hour in an area designated as a school crossing zone except:

(a) On a day on which school is not in session;

(b) During the period from a half hour after school is no longer in operation to a half hour before school is next in operation;

(c) If the zone is designated by an operational speed limit beacon, during the hours when the pupils of the school are in class and the yellow lights of the speed limit beacon are not flashing in the manner which indicates that the speed limit is in effect; or

(d) If the zone is not designated by an operational speed limit beacon, during the times when the sign designating the school zone indicates that the speed limit is not in effect.

3. The governing body of a local government or the Department of Transportation shall designate school zones and school crossing zones. An area must not be designated as a school zone if imposing a speed limit of 15 miles per hour would be unsafe because of higher speed limits in adjoining areas.

4. Each such governing body and the Department shall provide signs to mark the beginning and end of each school zone and school crossing zone which it respectively designates. Each sign marking the beginning of such a zone must include a designation of the hours when the speed limit is in effect or that the speed limit is in effect when children are present.

5. With respect to each school zone and school crossing zone in a school district, the superintendent of the school district or his or her designee, in conjunction with the Department of Transportation and the governing body of the local government that designated the school zone or school crossing zone and after consulting with the principal of the school and the agency that is responsible for enforcing the speed limit in the zone, shall determine the times when the speed limit is in effect.

6. ***If, while violating subsection 1 or 2, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian or a person riding a bicycle, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.***

7. As used in this section, “speed limit beacon” means a device which is used in conjunction with a sign and equipped with two or more yellow lights that flash alternately to indicate when the speed limit in a school zone or school crossing zone is in effect.

Sec. 22. (Deleted by amendment.)

Sec. 23. (Deleted by amendment.)

Sec. 24. (Deleted by amendment.)

Sec. 25. NRS 484B.600 is hereby amended to read as follows:

484B.600 1. It is unlawful for any person to drive or operate a vehicle of any kind or character at:

(a) A rate of speed greater than is reasonable or proper, having due regard for the traffic, surface and width of the highway, the weather and other highway conditions.

(b) Such a rate of speed as to endanger the life, limb or property of any person.

(c) A rate of speed greater than that posted by a public authority for the particular portion of highway being traversed.

(d) In any event, a rate of speed greater than 75 miles per hour.

2. *If, while violating any provision of subsection 1, the driver of a motor vehicle is the proximate cause of a collision with a pedestrian or a person riding a bicycle, the driver is subject to the additional penalty set forth in subsection 4 of NRS 484B.653.*

3. A person who violates any provision of ~~this section~~ *subsection 1* may be subject to the additional penalty set forth in NRS 484B.130.

Sec. 26. (Deleted by amendment.)

Sec. 27. (Deleted by amendment.)

Sec. 28. (Deleted by amendment.)

Sec. 29. (Deleted by amendment.)

Sec. 30. (Deleted by amendment.)

Sec. 31. NRS 484B.653 is hereby amended to read as follows:

484B.653 1. It is unlawful for a person to:

(a) Drive a vehicle in willful or wanton disregard of the safety of persons or property.

(b) Drive a vehicle in an unauthorized speed contest on a public highway.

(c) Organize an unauthorized speed contest on a public highway.

↪ A violation of paragraph (a) or (b) of this subsection or subsection 1 of NRS 484B.550 constitutes reckless driving.

2. *If, while violating the provisions of subsections 1 to 4, inclusive, of NRS 484B.270, NRS 484B.280, paragraph (a) or (c) of subsection 1 of NRS 484B.283, NRS 484B.350, subsection 1 or 2 of NRS 484B.363 or subsection 1 of NRS 484B.600, the driver of a motor vehicle is the*

proximate cause of a collision with a pedestrian or a person riding a bicycle, the violation constitutes reckless driving.

3. A person who violates paragraph (a) of subsection 1 is guilty of a misdemeanor and:

(a) For the first offense, shall be punished:

(1) By a fine of not less than \$250 but not more than \$1,000; or

(2) By both fine and imprisonment in the county jail for not more than 6 months.

(b) For the second offense, shall be punished:

(1) By a fine of not less than \$1,000 but not more than \$1,500; or

(2) By both fine and imprisonment in the county jail for not more than 6 months.

(c) For the third and each subsequent offense, shall be punished:

(1) By a fine of not less than \$1,500 but not more than \$2,000; or

(2) By both fine and imprisonment in the county jail for not more than 6 months.

~~3-] 4.~~ 4. A person who violates paragraph (b) or (c) of subsection 1 *or commits a violation which constitutes reckless driving pursuant to subsection 2* is guilty of a misdemeanor and:

(a) For the first offense:

(1) Shall be punished by a fine of not less than \$250 but not more than \$1,000;

(2) Shall perform not less than 50 hours, but not more than 99 hours, of community service; and

(3) May be punished by imprisonment in the county jail for not more than 6 months.

(b) For the second offense:

(1) Shall be punished by a fine of not less than \$1,000 but not more than \$1,500;

(2) Shall perform not less than 100 hours, but not more than 199 hours, of community service; and

(3) May be punished by imprisonment in the county jail for not more than 6 months.

(c) For the third and each subsequent offense:

(1) Shall be punished by a fine of not less than \$1,500 but not more than \$2,000;

(2) Shall perform 200 hours of community service; and

(3) May be punished by imprisonment in the county jail for not more than 6 months.

~~4-] 5.~~ 5. In addition to any fine, community service and imprisonment imposed upon a person pursuant to subsection ~~3-] 4,~~ the court:

(a) Shall issue an order suspending the driver's license of the person for a period of not less than 6 months but not more than 2 years and requiring the person to surrender all driver's licenses then held by the person;

(b) Within 5 days after issuing an order pursuant to paragraph (a), shall forward to the Department any licenses, together with a copy of the order;

(c) For the first offense, may issue an order impounding, for a period of 15 days, any vehicle that is registered to the person who violates paragraph (b) or (c) of subsection 1 if the vehicle is used in the commission of the offense; and

(d) For the second and each subsequent offense, shall issue an order impounding, for a period of 30 days, any vehicle that is registered to the person who violates paragraph (b) or (c) of subsection 1 if the vehicle is used in the commission of the offense.

~~{5-}~~ 6. Unless a greater penalty is provided pursuant to subsection 4 of NRS 484B.550, a person who does any act or neglects any duty imposed by law while driving or in actual physical control of any vehicle in willful or wanton disregard of the safety of persons or property, if the act or neglect of duty proximately causes the death of or substantial bodily harm to another person, is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years and by a fine of not less than \$2,000 but not more than \$5,000.

~~{6-}~~ 7. A person who violates any provision of this section may be subject to the additional penalty set forth in NRS 484B.130 unless the person is subject to the penalty provided pursuant to subsection 4 of NRS 484B.550.

~~{7-}~~ 8. As used in this section, "organize" means to plan, schedule or promote, or assist in the planning, scheduling or promotion of, an unauthorized speed contest on a public highway, regardless of whether a fee is charged for attending the unauthorized speed contest.

Sec. 32. (Deleted by amendment.)

Sec. 33. (Deleted by amendment.)

Sec. 34. (Deleted by amendment.)

Sec. 35. (Deleted by amendment.)

Assemblywoman Dondero Loop moved that the Assembly concur in the Senate Amendment No. 675 to Assembly Bill No. 328.

Remarks by Assemblywoman Dondero Loop.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 258.

The following Senate amendment was read:

Amendment No. 777.

AN ACT relating to gaming; requiring the Nevada Gaming Commission to adopt regulations relating to the licensing and operation of interactive gaming; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes certain gaming establishments to obtain a license to operate interactive gaming. (NRS 463.750) This bill requires the Nevada Gaming Commission to establish by regulation certain provisions authorizing the licensing and operation of interactive gaming under certain circumstances. This bill further provides that a license to operate interstate interactive gaming does not become effective until: (1) the passage of federal legislation authorizing interactive gaming; or (2) the United States Department of Justice notifies the Commission or the State Gaming Control Board that interactive gaming is permissible under federal law.

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

Section 1. Chapter 463 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. *The Legislature hereby finds and declares that:*

1. The State of Nevada leads the nation in gaming regulation and enforcement, such that the State of Nevada is uniquely positioned to develop an effective and comprehensive regulatory structure related to interactive gaming.

2. A comprehensive regulatory structure, coupled with strict licensing standards, will ensure the protection of consumers, prevent fraud, guard against underage and problem gambling and aid in law enforcement efforts.

3. To provide for licensed and regulated interactive gaming and to prepare for possible federal legislation, the State of Nevada must develop the necessary structure for licensure, regulation and enforcement.

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 10.5. NRS 463.016425 is hereby amended to read as follows:

463.016425 1. "Interactive gaming" means the conduct of gambling games through the use of communications technology that allows a person,

utilizing money, checks, electronic checks, electronic transfers of money, credit cards, debit cards or any other instrumentality, to transmit to a computer information to assist in the placing of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term ~~does~~:

(a) ***Includes, without limitation, Internet poker.***

(b) ***Does*** not include the operation of a race book or sports pool that uses communications technology approved by the Board pursuant to regulations adopted by the Commission to accept wagers originating within this state for races, or sporting events or other events.

2. As used in this section, “communications technology” means any method used and the components employed by an establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wire, cable, radio, microwave, light, optics or computer data networks, including, without limitation, the Internet and intranets.

Sec. 11. NRS 463.160 is hereby amended to read as follows:

463.160 1. Except as otherwise provided in subsection 4 and NRS 463.172, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:

(a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, inter-casino linked system, mobile gaming system, slot machine, race book or sports pool;

(b) To provide or maintain any information service;

(c) To operate a gaming salon; ~~or~~

(d) To receive, directly or indirectly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or carrying on any gambling game, slot machine, gaming device, mobile gaming system, race book or sports pool ~~or~~; ***or***

(e) ***To operate, carry on, conduct, maintain or expose for play in or from the State of Nevada any interactive gaming system,***

↪ without having first procured, and thereafter maintaining in effect, all federal, state, county and municipal gaming licenses as required by statute, regulation or ordinance or by the governing board of any unincorporated town.

2. The licensure of an operator of an inter-casino linked system is not required if:

(a) A gaming licensee is operating an inter-casino linked system on the premises of an affiliated licensee; or

(b) An operator of a slot machine route is operating an inter-casino linked system consisting of slot machines only.

3. Except as otherwise provided in subsection 4, it is unlawful for any person knowingly to permit any gambling game, slot machine, gaming device, inter-casino linked system, mobile gaming system, race book or sports pool to be conducted, operated, dealt or carried on in any house or building or other premises owned by the person, in whole or in part, by a person who is not licensed pursuant to this chapter, or that person's employee.

4. The Commission may, by regulation, authorize a person to own or lease gaming devices for the limited purpose of display or use in the person's private residence without procuring a state gaming license.

5. As used in this section, "affiliated licensee" has the meaning ascribed to it in NRS 463.430.

Sec. 12. NRS 463.750 is hereby amended to read as follows:

463.750 1. ~~{Except as otherwise provided in subsections 2 and 3, the}~~
The Commission ~~{may,}~~ **shall**, with the advice and assistance of the Board, adopt regulations governing the licensing and operation of interactive gaming.

2. ~~{The Commission may not adopt regulations governing the licensing and operation of interactive gaming until the Commission first determines that:~~

~~(a) Interactive gaming can be operated in compliance with all applicable laws;~~

~~(b) Interactive gaming systems are secure and reliable, and provide reasonable assurance that players will be of lawful age and communicating only from jurisdictions where it is lawful to make such communications; and~~

~~(c) Such regulations are consistent with the public policy of the State to foster the stability and success of gaming.~~

~~3.}~~ The regulations adopted by the Commission pursuant to this section must:

(a) Establish the investigation fees for:

(1) A license to operate interactive gaming;

(2) A license for a manufacturer of interactive gaming systems; and

(3) A license for a manufacturer of equipment associated with interactive gaming.

(b) Provide that:

(1) A person must hold a license for a manufacturer of interactive gaming systems to supply or provide any interactive gaming system, including, without limitation, any piece of proprietary software or hardware; and

(2) A person may be required by the Commission to hold a license for a manufacturer of equipment associated with interactive gaming.

(c) Set forth standards for the suitability of a person to be licensed as a manufacturer of interactive gaming systems or manufacturer of equipment associated with interactive gaming that are as stringent as the standards for a nonrestricted license.

(d) Provide that gross revenue received by an establishment from the operation of interactive gaming is subject to the same license fee provisions of NRS 463.370 as the games and gaming devices of the establishment ~~[-]~~, ***unless federal law otherwise provides for a similar fee or tax.***

(e) Set forth standards for the location and security of the computer system and for approval of hardware and software used in connection with interactive gaming.

(f) Define “equipment associated with interactive gaming,” “interactive gaming system,” “manufacturer of equipment associated with interactive gaming,” “manufacturer of interactive gaming systems,” “operate interactive gaming” and “proprietary hardware and software” as the terms are used in this chapter.

~~[-]~~ (g) ***Provide that any license to operate interstate interactive gaming does not become effective until:***

(1) A federal law authorizing the specific type of interactive gaming for which the license was granted is enacted; or

(2) The United States Department of Justice notifies the Board or Commission in writing that it is permissible under federal law to operate the specific type of interactive gaming for which the license was granted.

3. Except as otherwise provided in ~~[subsection 5,]~~ ***subsections 4 and 5,*** the Commission shall not approve a license for an establishment to operate interactive gaming unless:

(a) In a county whose population is 400,000 or more, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices.

(b) In a county whose population is more than 40,000 but less than 400,000, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices or the establishment:

(1) Holds a nonrestricted license for the operation of games and gaming devices;

(2) Has more than 120 rooms available for sleeping accommodations in the same county;

(3) Has at least one bar with permanent seating capacity for more than 30 patrons that serves alcoholic beverages sold by the drink for consumption on the premises;

(4) Has at least one restaurant with permanent seating capacity for more than 60 patrons that is open to the public 24 hours each day and 7 days each week; and

(5) Has a gaming area that is at least 18,000 square feet in area with at least 1,600 slot machines, 40 table games, and a sports book and race pool.

(c) In all other counties, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices or the establishment:

(1) Has held a nonrestricted license for the operation of games and gaming devices for at least 5 years before the date of its application for a license to operate interactive gaming;

(2) Meets the definition of group 1 licensee as set forth in the regulations of the Commission on the date of its application for a license to operate interactive gaming; and

(3) Operates either:

(I) More than 50 rooms for sleeping accommodations in connection therewith; or

(II) More than 50 gaming devices in connection therewith.

~~{5-}~~ 4. The Commission may:

(a) Issue a license to operate interactive gaming to an affiliate of an establishment if:

(1) The establishment satisfies the applicable requirements set forth in subsection ~~{4; and}~~ 3;

(2) The affiliate is located in the same county as the establishment; and

(3) *The establishment has held a nonrestricted license for at least 5 years before the date on which the application is filed; and*

(b) Require an affiliate that receives a license pursuant to this subsection to comply with any applicable provision of this chapter.

~~{6-}~~ 5. *The Commission may issue a license to operate interactive gaming to an applicant that meets any qualifications established by federal law regulating the licensure of interactive gaming.*

6. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others, to operate interactive gaming:

(a) Until the Commission adopts regulations pursuant to this section; and

(b) Unless the person first procures, and thereafter maintains in effect, all appropriate licenses as required by the regulations adopted by the Commission pursuant to this section.

7. A person who violates subsection 6 is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years or by a fine of not more than \$50,000, or both.

Sec. 12.5. NRS 463.770 is hereby amended to read as follows:

463.770 1. ~~{A-}~~ Unless federal law otherwise provides for a similar fee or tax, all gross revenue from operating interactive gaming received by

an establishment licensed to operate interactive gaming, regardless of whether any portion of the revenue is shared with another person, must be attributed to the licensee and counted as part of the gross revenue of the licensee for the purpose of computing the license fee required by NRS 463.370.

2. A manufacturer of interactive gaming systems who is authorized by an agreement to receive a share of the revenue from an interactive gaming system from an establishment licensed to operate interactive gaming is liable to the establishment for a portion of the license fee paid pursuant to subsection 1. The portion for which the manufacturer of interactive gaming systems is liable is 6.75 percent of the amount of revenue to which the manufacturer of interactive gaming systems is entitled pursuant to the agreement.

3. For the purposes of subsection 2, the amount of revenue to which the manufacturer of interactive gaming systems is entitled pursuant to an agreement to share the revenue from an interactive gaming system:

(a) Includes all revenue of the manufacturer of interactive gaming systems that is the manufacturer of interactive gaming systems' share of the revenue from the interactive gaming system pursuant to the agreement; and

(b) Does not include revenue that is the fixed purchase price for the sale of a component of the interactive gaming system.

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 14.5. The Nevada Gaming Commission shall, on or before January 31, 2012, adopt regulations to carry out the amendatory provisions of this act.

Sec. 15. This act becomes effective upon passage and approval.

Assemblywoman Smith moved that the Assembly concur in the Senate Amendment No. 777 to Assembly Bill No. 258.

Remarks by Assemblywoman Smith.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 452.

The following Senate amendment was read:

Amendment No. 834.

AN ACT relating to governmental administration; requiring the electronic filing of certain campaign contribution and expenditure reports and statements of financial disclosure; amending the deadlines for filing certain campaign contribution and expenditure reports; requiring candidates to report certain contributions and expenditures in the aggregate on campaign contribution and expenditure reports; requiring candidates to report the disposal of certain unspent campaign contributions in the aggregate on

campaign contribution and expenditure reports; ~~[prohibiting certain former public officers from receiving compensation or other consideration to lobby for 2 years after leaving office; increasing the “cooling off” period for former members of the Public Utilities Commission of Nevada, the State Gaming Control Board and the Nevada Gaming Commission to lobby on behalf of certain regulated businesses and industries;]~~ making various other changes relating to campaign finance; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Sections 2-20 of this bill provide that, except under certain circumstances, campaign contribution and expenditure reports related to candidates for state, county, city and district offices must be filed electronically with the Secretary of State. **Sections 4, 7-11 and 16** also revise the deadlines for filing such reports.

Existing law requires a candidate to report on his or her campaign contribution and expenditure report: (1) each campaign contribution in excess of \$100 received during the reporting period and contributions received during the period from a contributor which cumulatively exceed \$100; (2) each campaign expense incurred, or expenditure made, in excess of \$100 during the reporting period; and (3) any unspent campaign contribution that is disposed of during the reporting period in excess of \$100. (NRS 294A.120, 294A.125, 294A.200) **Sections 4, 5 and 9** of this bill require candidates to report, in the aggregate, contributions, expenses, expenditures or amounts of unspent campaign contributions disposed of which are less than \$100.

Existing law requires a candidate, person, committee, political party, group of persons or business entity to sign all campaign contribution and expenditure reports under penalty of perjury. (NRS 294A.120, 294A.125, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283, 294A.286) Sections 2-15, 18 and 23 of this bill authorize a person signing such a report the alternative option of signing under an oath to God but provides that a person who signs a report under an oath to God is subject to the same penalties as if he or she signed the report under penalty of perjury.

Section 18 of this bill requires the Secretary of State to design a form for each campaign contribution and expenditure report rather than requiring the design of a single form for all campaign contribution and expenditure reports in order to accommodate the new electronic filing requirements.

Sections 23-26 and 28-33 of this bill provide that, except under certain circumstances, appointed and elected public officers must file statements of financial disclosure electronically with the Secretary of State rather than the Commission on Ethics.

~~[Under existing law, former members of the Public Utilities Commission of Nevada, the State Gaming Control Board and the Nevada Gaming Commission must observe a 1-year “cooling-off” period prior to appearing before the Public Utilities Commission of Nevada, the State Gaming Control Board or the Nevada Gaming Commission, as applicable, on behalf of certain regulated businesses or industries. (NRS 281A.550) Section 27 of this bill increases this “cooling-off” period to 2 years. Section 22 of this bill prohibits former public officers from receiving compensation or other consideration to lobby any member of the governing body of the State or a political subdivision, as applicable, to which the former public officer was elected or appointed for 2 years after leaving office.]~~

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

Section 1. Chapter 294A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3, of this act.

Sec. 2. 1. *A candidate who is required to file a report described in subsection 1 of NRS 294A.373 is not required to file the report electronically if the candidate:*

(a) Did not receive or expend money in excess of \$10,000 after becoming a candidate pursuant to NRS 294A.005; and

(b) Has on file with the Secretary of State an affidavit which satisfies the requirements set forth in subsection 2 and which states that:

(1) The candidate does not own or have the ability to access the technology necessary to file electronically the report described in subsection 1 of NRS 294A.373; and

(2) The candidate does not have the financial ability to purchase or obtain access to the technology necessary to file electronically the report described in subsection 1 of NRS 294A.373.

2. *The affidavit described in subsection 1 must be:*

(a) In the form prescribed by the Secretary of State and signed under an oath to God or penalty of perjury. A candidate who signs the affidavit under an oath to God is subject to the same penalties as if the candidate had signed the affidavit under penalty of perjury.

(b) Filed not later than 15 days before the candidate is required to file a report described in subsection 1 of NRS 294A.373.

3. *A candidate who is not required to file the report electronically may file the report by transmitting the report by regular mail, certified mail, facsimile machine or personal delivery. A report transmitted pursuant to this subsection shall be deemed to be filed on the date on which it is received by the Secretary of State.*

Sec. 3. 1. *A person, committee, political party, group of persons or business entity that is required to file a report described in subsection 1 of NRS 294A.373 is not required to file the report electronically if the person, committee, political party, group or business entity:*

(a) Did not receive or expend money in excess of \$10,000 in the previous calendar year; and

(b) Has on file with the Secretary of State an affidavit which satisfies the requirements set forth in subsection 2 and which states that:

(1) The person, committee, political party, group or business entity does not own or have the ability to access the technology necessary to file electronically the report described in subsection 1 of NRS 294A.373; and

(2) The person, committee, political party, group or business entity does not have the financial ability to purchase or obtain access to the technology necessary to file electronically the report described in subsection 1 of NRS 294A.373.

2. *The affidavit described in subsection 1 must be:*

(a) In the form prescribed by the Secretary of State and signed under an oath to God or penalty of perjury. A person who signs the affidavit under an oath to God is subject to the same penalties as if the person had signed the affidavit under penalty of perjury.

(b) Filed:

(1) At least 15 days before any report described in subsection 1 of NRS 294A.373 is required to be filed by the person, committee, political party, group or business entity.

(2) Not earlier than January 1 and not later than January 15 of each year, regardless of whether or not the person, committee, political party, group or business entity was required to file any report described in subsection 1 of NRS 294A.373 in the previous year.

3. *A person, committee, political party, group of persons or business entity that has properly filed the affidavit pursuant to this section may file the relevant report with the Secretary of State by transmitting the report by regular mail, certified mail, facsimile machine or personal delivery. A report transmitted pursuant to this subsection shall be deemed to be filed on the date on which it is received by the Secretary of State.*

Sec. 4. NRS 294A.120 is hereby amended to read as follows:

294A.120 1. Every candidate for state, district, county or township office at a primary or general election shall, not later than January 15 of each year, for the period from January 1 of the previous year through December 31 of the previous year, report ~~each~~ ~~each~~:

*(a) **Each** campaign contribution in excess of \$100 received during the period ~~and contributions~~;*

(b) *Contributions* received during the period from a contributor which cumulatively exceed \$100 ~~{ }~~; and

(c) *The total of all contributions received during the period which are \$100 or less and which are not otherwise required to be reported pursuant to paragraph (b).*

↪ The provisions of this subsection apply to the candidate beginning the year of the general election for that office through the year immediately preceding the next general election for that office.

2. Every candidate for state, district, county or township office at a primary or general election shall, if the general election for the office for which he or she is a candidate is held on or after January 1 and before the July 1 immediately following that January 1, not later than:

(a) ~~{Seven}~~ *Twenty-one* days before the primary election for that office, for the period from the January 1 immediately preceding the primary election through ~~{12}~~ 25 days before the primary election;

(b) ~~{Seven}~~ *Four* days before the ~~{general}~~ *primary* election for that office, for the period from ~~{11}~~ 24 days before the primary election through ~~{12}~~ 5 days before the ~~{general election}; and~~

~~{e} July 15 of the year of}~~ *primary election;*

(c) *Twenty-one days before* the general election for that office, for the period from ~~{11}~~ 4 days before the ~~{general}~~ *primary* election through ~~{June 30 of that year.}~~ 25 days before the general election; and

(d) *Four days before the general election for that office, for the period from 24 days before the general election through 5 days before the general election,*

↪ report each campaign contribution ~~{in excess of \$100}~~ *described in subsection 1* received during the period. ~~{and contributions received during the period from a contributor which cumulatively exceed \$100.}~~ The report must be completed on the form designed and ~~{provided}~~ *made available* by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the candidate under *an oath to God or* penalty of perjury. *A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.*

3. Every candidate for state, district, county or township office at a primary or general election shall, if the general election for the office for which he or she is a candidate is held on or after July 1 and before the January 1 immediately following that July 1, not later than:

(a) ~~{Seven}~~ *Twenty-one* days before the primary election for that office, for the period from the January 1 immediately preceding the primary election through ~~{12}~~ 25 days before the primary election; ~~{and}~~

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election for that office, for the period from ~~{11}~~ **24** days before the primary election through ~~{12}~~ **5** days before the ~~{general election,}~~ **primary election;**

(c) **Twenty-one days before the general election for that office, for the period from 4 days before the primary election through 25 days before the general election; and**

(d) **Four days before the general election for that office, for the period from 24 days before the general election through 5 days before the general election,**

↪ report each campaign contribution ~~{in excess of \$100}~~ **described in subsection 1** received during the period . ~~{and contributions received during the period from a contributor which cumulatively exceed \$100.}~~ The report must be completed on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the candidate under **an oath to God or** penalty of perjury. **A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.**

4. Except as otherwise provided in subsection 5, every candidate for a district office at a special election shall, not later than:

(a) Seven days before the special election, for the period from the candidate's nomination through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

↪ report each campaign contribution ~~{in excess of \$100}~~ **described in subsection 1** received during the period . ~~{and contributions received during the reporting period from a contributor which cumulatively exceed \$100.}~~ The report must be completed on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the candidate under **an oath to God or** penalty of perjury. **A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.**

5. Every candidate for state, district, county, municipal or township office at a special election to determine whether a public officer will be recalled shall list each of the campaign contributions received on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373 and signed by the candidate under **an oath to God or** penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) A district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the

filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

↪ A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.

6. ~~{Reports}~~ ***Except as otherwise provided in section 2 of this act, reports*** of campaign contributions must be filed ***electronically*** with the ~~{officer with whom the candidate filed the declaration of candidacy or acceptance of candidacy. A candidate may mail or transmit the report to that officer by regular mail, certified mail, facsimile machine or electronic means.}~~ ***Secretary of State.***

7. A report shall be deemed to be filed ~~{with the officer:~~

(a) ~~On the date that it was mailed if it was sent by certified mail; or~~

(b) ~~On~~ ***on*** the date that it was received by the ~~{officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.~~

~~7. Every county clerk who receives from candidates for legislative or judicial office, including, without limitation, the office of justice of the peace or municipal judge, reports of campaign contributions pursuant to this section shall file a copy of each report with the} Secretary of State . {within 10 working days after receiving the report.}~~

8. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution in excess of \$100 and contributions which a contributor has made cumulatively in excess of that amount since the beginning of the current reporting period.

Sec. 5. NRS 294A.125 is hereby amended to read as follows:

294A.125 1. In addition to complying with the requirements set forth in NRS 294A.120, 294A.200 and 294A.360, a candidate who receives contributions in any year before the year in which the general election or general city election in which the candidate intends to seek election to public office is held shall, for:

(a) The year in which the candidate receives contributions in excess of \$10,000, list ~~{each}~~ :

(1) ***Each*** of the contributions received and the expenditures in excess of \$100 made in that year ~~{-}~~ ; ***and***

(2) ***The total of all contributions received and expenditures which are \$100 or less.***

(b) Each year after the year in which the candidate received contributions in excess of \$10,000, until the year of the general election or general city election in which the candidate intends to seek election to public office is held, list ~~{each}~~ :

(1) *Each* of the contributions received and the expenditures in excess of \$100 made in that year ~~[-]~~; *and*

(2) *The total of all contributions received and expenditures which are \$100 or less.*

2. The reports required by subsection 1 must be submitted on the form designed and ~~provided~~ *made available* by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the candidate under *an oath to God or* penalty of perjury. *A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.*

3. The name and address of the contributor and the date on which the contribution was received must be included on the list for each contribution in excess of \$100 and contributions that a contributor has made cumulatively in excess of that amount.

4. ~~The~~ *Except as otherwise provided in section 2 of this act, the* report must be filed ~~[-]~~:

~~(a) With the officer with whom the candidate will file the declaration of candidacy or acceptance of candidacy for the public office the candidate intends to seek. A candidate may mail or transmit the report to that officer by regular mail, certified mail, facsimile machine or electronic means.]~~
electronically with the Secretary of State.

5. A report shall be deemed to be filed ~~with the officer:~~

(1) ~~On the date it was mailed if it was sent by certified mail.~~

(2) ~~On~~ *on* the date it was received by the ~~officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.~~

~~(b) On or before January 15 of the year immediately after the year for which the report is made.~~

~~5. A county clerk who receives from a candidate for legislative or judicial office, including, without limitation, the office of justice of the peace or municipal judge, a report of contributions and expenditures pursuant to subsection 4 shall file a copy of the report with the Secretary of State . [within 10 working days after receiving the report.]~~

Sec. 6. NRS 294A.128 is hereby amended to read as follows:

294A.128 1. In addition to complying with the requirements set forth in NRS 294A.120, 294A.200 and 294A.360, a candidate who receives a loan which is guaranteed by a third party, forgiveness of a loan previously made to the candidate or a written commitment for a contribution shall, for the period covered by the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360, report:

(a) If a loan received by the candidate was guaranteed by a third party, the amount of the loan and the name and address of each person who guaranteed the loan;

(b) If a loan received by the candidate was forgiven by the person who made the loan, the amount that was forgiven and the name and address of the person who forgave the loan; and

(c) If the candidate received a written commitment for a contribution, the amount committed to be contributed and the name and address of the person who made the written commitment.

2. The reports required by subsection 1 must be submitted on the form designed and ~~provided~~ ***made available*** by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the candidate under ***an oath to God or*** penalty of perjury. ***A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.***

3. ~~{The}~~ ***Except as otherwise provided in section 2 of this act, the*** reports required by subsection 1 must be filed in the same manner and at the same time as the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360.

~~{4. A county clerk who receives from a candidate for legislative or judicial office, including, without limitation, the office of justice of the peace or municipal judge, a report pursuant to subsection 1 shall file a copy of the report with the Secretary of State within 10 working days after receiving the report.}~~

Sec. 7. NRS 294A.140 is hereby amended to read as follows:

294A.140 1. Every person who is not under the direction or control of a candidate for office at a primary election, primary city election, general election or general city election, of a group of such candidates or of any person involved in the campaign of that candidate or group who makes an expenditure on behalf of the candidate or group which is not solicited or approved by the candidate or group, and every committee for political action, political party, committee sponsored by a political party and business entity which makes an expenditure on behalf of such a candidate or group of candidates shall, not later than January 15 of each year that the provisions of this subsection apply to the person, committee, political party or business entity, for the period from January 1 of the previous year through December 31 of the previous year, report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The provisions of this subsection apply to the person, committee, political party or business entity beginning the year of the general election or general city election for that

office through the year immediately preceding the next general election or general city election for that office.

2. Every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of the candidate for office at a primary election, primary city election, general election or general city election or on behalf of a group of such candidates shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after January 1 and before the July 1 immediately following that January 1, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through ~~{12}~~ **25** days before the primary election or primary city election;

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election for that office, for the period from ~~{11}~~ **24** days before the primary election or primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election; ~~and~~

~~(c) July 15 of the year of~~

(c) **Twenty-one days before** the general election or general city election for that office, for the period from ~~{11}~~ **4** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election through ~~{June 30 of that year,}~~ **25 days before the general election or general city election; and**

(d) **Four days before the general election or general city election for that office, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,**

↪ report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The report must be completed on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee, political party or business entity under **an oath to God or penalty of perjury. A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

3. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution in excess of \$100 and contributions which a contributor has made cumulatively in excess of \$100 since the beginning of the current reporting period.

4. Every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of a candidate for

office at a primary election, primary city election, general election or general city election or on behalf of a group of such candidates shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after July 1 and before the January 1 immediately following that July 1, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through ~~{12}~~ **25** days before the primary election or primary city election; ~~{and}~~

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election for that office, for the period from ~~{11}~~ **24** days before the primary election or primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election ~~{,}~~ ;

(c) **Twenty-one days before the general election or general city election for that office, for the period from 4 days before the primary election or primary city election through 25 days before the general election or general city election; and**

(d) **Four days before the general election or general city election for that office, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,**

➡ report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The report must be completed on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

5. Except as otherwise provided in subsection 6, every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election or on behalf of a group of such candidates shall, not later than:

(a) Seven days before the special election for the office for which the candidate or a candidate in the group of candidates seeks election, for the period from the nomination of the candidate through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

➡ report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which

cumulatively exceed \$100. The report must be completed on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

6. Every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election to determine whether a public officer will be recalled or on behalf of a group of candidates for offices at such special elections shall report each contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The report must be completed on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

↪ A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.

7. ~~{The}~~ **Except as otherwise provided in section 3 of this act**, the reports of contributions required pursuant to this section must be filed **electronically** with ~~{~~:

~~(a) If the candidate is elected from one county, the county clerk of that county;~~

~~(b) If the candidate is elected from one city, the city clerk of that city; or~~

~~(c) If the candidate is elected from more than one county or city,}~~ the Secretary of State.

8. ~~{A person or entity may file the report with the appropriate officer by regular mail, certified mail, facsimile machine or electronic means.}~~ A report shall be deemed to be filed ~~{with the officer:~~

~~(a) On the date that it was mailed if it was sent by certified mail; or~~

~~(b) On} **on** the date that it was received by the {officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.~~

~~9. Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the Secretary of State within 10 working days after receiving the report.~~

~~10. Secretary of State.~~

9. Every person, committee, political party or business entity described in subsection 1 shall file a report required by this section even if the person, committee, political party or business entity receives no contributions.

Sec. 8. NRS 294A.150 is hereby amended to read as follows:

294A.150 1. Except as otherwise provided in NRS 294A.283, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a question or group of questions on the ballot at a primary election, primary city election, general election or general city election and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall, not later than January 15 of each year that the provisions of this subsection apply to the person, group of persons or business entity, for the period from January 1 of the previous year through December 31 of the previous year, report each campaign contribution in excess of \$1,000 received during that period and contributions received during the period from a contributor which cumulatively exceed \$1,000. The report must be completed on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.** The provisions of this subsection apply to the person, group of persons or business entity:

(a) Each year in which:

(1) An election or city election is held for each question for which the person, group of persons or business entity advocates passage or defeat; or

(2) A person, group of persons or business entity receives or expends money in excess of \$10,000 to advocate the passage or defeat of a question or group of questions on the ballot at a primary election, primary city election, general election or general city election; and

(b) The year after each year described in paragraph (a).

2. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends

money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. If a question is on the ballot at a general election or general city election held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person, group of persons or business entity described in this subsection shall, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election or primary city election, for the period from the January 1 immediately preceding the primary election or primary city election through ~~{12}~~ **25** days before the primary election or primary city election;

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election, for the period from ~~{11}~~ **24** days before the primary election or primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election; ~~and~~

~~(e) July 15 of the year of~~

(c) **Twenty-one days before** the general election or general city election, for the period from ~~{11}~~ **4** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election through ~~{June 30 of that year,}~~ **25 days before the general election or general city election; and**

(d) **Four days before the general election or general city election, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,**

➤ report each campaign contribution in excess of \$1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed \$1,000. The report must be completed on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

3. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution in excess of \$1,000 and contributions which a contributor has made cumulatively in excess of that amount since the beginning of the current reporting period.

4. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. Except as otherwise provided in NRS 294A.283, if a question is on the ballot at a general election or general city election held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person, group of persons or business entity described in this subsection shall, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election or primary city election, for the period from the January 1 immediately preceding the primary election or primary city election through ~~{12}~~ **25** days before the primary election or primary city election; ~~and~~

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election, for the period from ~~{11}~~ **24** days before the primary election or primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election ~~{,}~~;

(c) **Twenty-one days before the general election or general city election, for the period from 4 days before the primary election or primary city election through 25 days before the general election or general city election; and**

(d) **Four days before the general election or general city election, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,**

➤ report each campaign contribution in excess of \$1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed \$1,000. The report must be completed on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

5. Except as otherwise provided in subsection 6, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a question or group of questions on the ballot at a special election and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall, not later than:

(a) Seven days before the special election, for the period from the date that the question qualified for the ballot through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

↪ report each campaign contribution in excess of \$1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed \$1,000. The report must be completed on the form designed and ~~provided~~ ***made available*** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group or business entity under ***an oath to God or*** penalty of perjury. ***A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.***

6. Every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a question or group of questions on the ballot at a special election to determine whether a public officer will be recalled and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall report each of the contributions received on the form designed and ~~provided~~ ***made available*** by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group or business entity under ***an oath to God or*** penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

↪ ***A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.***

7. ~~The~~ ***Except as otherwise provided in section 3 of this act, the*** reports required pursuant to this section must be filed ***electronically*** with ~~the~~

~~(a) If the question is submitted to the voters of one county, the county clerk of that county;~~

~~(b) If the question is submitted to the voters of one city, the city clerk of that city; or~~

~~(c) If the question is submitted to the voters of more than one county or city,] the Secretary of State.~~

8. ~~[A person may mail or transmit the report to the appropriate officer by regular mail, certified mail, facsimile machine or electronic means.] A report shall be deemed to be filed [with the officer:~~

~~(a) On the date that it was mailed if it was sent by certified mail; or~~

~~(b) On] on the date that it was received by the [officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.] **Secretary of State.**~~

9. If the person or group of persons, including a business entity, is advocating passage or defeat of a group of questions, the reports must be itemized by question or petition.

~~[10. Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the Secretary of State within 10 working days after receiving the report.]~~

Sec. 9. NRS 294A.200 is hereby amended to read as follows:

294A.200 1. Every candidate for state, district, county or township office at a primary or general election shall, not later than January 15 of each year, for the period from January 1 of the previous year through December 31 of the previous year, report ~~[each]~~ :

(a) Each of the campaign expenses in excess of \$100 incurred [and each] during the period;

(b) Each amount in excess of \$100 disposed of pursuant to NRS 294A.160 during the period;

(c) The total of all campaign expenses incurred during the period which are \$100 or less; and

(d) The total of all amounts disposed of during the period pursuant to NRS 294A.160 which are \$100 or less,

~~↪ on the form designed and [provided] made available by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the candidate under an oath to God or penalty of perjury. A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.~~

2. The provisions of ~~[this]~~ subsection **1** apply to the candidate:

(a) Beginning the year of the general election for that office through the year immediately preceding the next general election for that office; and

(b) Each year immediately succeeding a calendar year during which the candidate disposes of contributions pursuant to NRS 294A.160.

~~{2.}~~ 3. Every candidate for state, district, county or township office at a primary or general election shall, if the general election for the office for

which he or she is a candidate is held on or after January 1 and before the July 1 immediately following that January 1, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election for that office, for the period from the January 1 immediately preceding the primary election through ~~{12}~~ **25** days before the primary election;

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election for that office, for the period from ~~{11}~~ **24** days before the primary election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election; ~~{and}~~

(c) ~~{July 15 of the year of}~~ **Twenty-one days before** the general election for that office, for the period from ~~{11}~~ **4** days before the ~~{general}~~ **primary** election through ~~{June 30 of that year,}~~ **25 days before the general election;**
and

(d) **Four days before the general election for that office, for the period from 24 days before the general election through 5 days before the general election,**

➤ report each of the campaign expenses ~~{in excess of \$100}~~ **described in subsection 1** incurred during the period on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the candidate under **an oath to God or** penalty of perjury.

~~{3-}~~ **A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.**

4. Every candidate for state, district, county or township office at a primary or general election shall, if the general election for the office for which he or she is a candidate is held on or after July 1 and before the January 1 immediately following that July 1, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election for that office, for the period from the January 1 immediately preceding the primary election through ~~{12}~~ **25** days before the primary election; ~~{and}~~

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election for that office, for the period from ~~{11}~~ **24** days before the primary election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election ~~{,}~~ ;

(c) **Twenty-one days before the general election for that office, for the period from 4 days before the primary election through 25 days before the general election; and**

(d) **Four days before the general election for that office, for the period from 24 days before the general election through 5 days before the general election,**

➤ report each of the campaign expenses ~~{in excess of \$100}~~ **described in subsection 1** incurred during the period on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The

form must be signed by the candidate under **an oath to God or** penalty of perjury.

~~{4.}~~ **A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.**

5. Except as otherwise provided in subsection ~~{5.}~~ **6**, every candidate for a district office at a special election shall, not later than:

(a) Seven days before the special election, for the period from the candidate's nomination through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

↪ report each of the campaign expenses ~~{in excess of \$100}~~ **described in subsection 1** incurred during the period on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the candidate under **an oath to God or** penalty of perjury.

~~{5.}~~ **A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.**

6. Every candidate for state, district, county, municipal or township office at a special election to determine whether a public officer will be recalled shall report each of the campaign expenses ~~{in excess of \$100}~~ **described in subsection 1** incurred on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373 and signed by the candidate under **an oath to God or** penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

~~{6.}~~

↪ **A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.**

7. ~~{Reports}~~ **Except as otherwise provided in section 2 of this act, reports** of campaign expenses must be filed **electronically** with the ~~{officer with whom the candidate filed the declaration of candidacy or acceptance of candidacy. A candidate may mail or transmit the report to that officer by regular mail, certified mail, facsimile machine or electronic means.}~~ **Secretary of State.**

8. A report shall be deemed to be filed ~~{with the officer:~~

~~(a) On the date that it was mailed if it was sent by certified mail; or~~

~~(b) On} **on** the date that it was received by the {officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.~~

~~7. County clerks who receive from candidates for legislative or judicial office, including, without limitation, the office of justice of the peace or municipal judge, reports of campaign expenses pursuant to this section shall file a copy of each report with the} Secretary of State . {within 10 working days after receiving the report.}~~

Sec. 10. NRS 294A.210 is hereby amended to read as follows:

294A.210 1. Every person who is not under the direction or control of a candidate for an office at a primary election, primary city election, general election or general city election, of a group of such candidates or of any person involved in the campaign of that candidate or group who makes an expenditure on behalf of the candidate or group which is not solicited or approved by the candidate or group, and every committee for political action, political party, committee sponsored by a political party or business entity which makes an expenditure on behalf of such a candidate or group of candidates shall, not later than January 15 of each year that the provisions of this subsection apply to the person, committee, political party or business entity, for the period from January 1 of the previous year through December 31 of the previous year, report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.** The provisions of this subsection apply to the person, committee, political party or business entity beginning the year of the general election or general city election for that office through the year immediately preceding the next general election or general city election for that office.

2. Every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of a candidate for office at a primary election, primary city election, general election or general city election or a group of such candidates shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after January 1 and before the July 1 immediately following that January 1, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through ~~{12}~~ **25** days before the primary election or primary city election;

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election for that office, for the period from ~~{11}~~ **24** days before the primary election or primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election; ~~{and}~~

(c) ~~{July 15 of the year of}~~ **Twenty-one days before** the general election or general city election for that office, for the period from ~~{11}~~ **4** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election through ~~{the June 30 of that year,}~~ **25 days before the general election or general city election; and**

(d) **Four days before the general election or general city election for that office, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,**

→ report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

3. Every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of a candidate for office at a primary election, primary city election, general election or general city election or on behalf of a group of such candidates shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after July 1 and before the January 1 immediately following that July 1, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through ~~{12}~~ **25** days before the primary election or primary city election; ~~{and}~~

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election for that office, for the period from ~~{11}~~ **24** days before the primary election or primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election ~~{;}~~;

(c) **Twenty-one days before the general election or general city election for that office, for the period from 4 days before the primary election or**

primary city election through 25 days before the general election or general city election; and

(d) Four days before the general election or general city election for that office, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,

➡ report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

4. Except as otherwise provided in subsection 5, every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election or on behalf of a group of such candidates shall, not later than:

(a) Seven days before the special election for the office for which the candidate or a candidate in the group of candidates seeks election, for the period from the nomination of the candidate through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

➡ report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

5. Every person, committee, political party or business entity described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election to determine whether a public officer will be recalled or on behalf of a group of such candidates shall list each expenditure made on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the committee, political party or business entity under **an oath to God or** penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

↪ A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.

6. Expenditures made within the State or made elsewhere but for use within the State, including expenditures made outside the State for printing, television and radio broadcasting or other production of the media, must be included in the report.

7. ~~{The}~~ ***Except as otherwise provided in section 3 of this act, the*** reports must be filed ***electronically*** with ~~{:~~

~~{(a) If the candidate is elected from one county, the county clerk of that county;~~

~~{(b) If the candidate is elected from one city, the city clerk of that city; or~~

~~{(c) If the candidate is elected from more than one county or city,} the Secretary of State.~~

8. If an expenditure is made on behalf of a group of candidates, the reports must be itemized by the candidate. ~~{A person may mail or transmit the report to the appropriate officer by regular mail, certified mail, facsimile machine or electronic means.}~~

9. A report shall be deemed to be filed ~~{with the officer:~~

~~{(a) On the date that it was mailed if it was sent by certified mail; or~~

~~{(b) On} **on** the date that it was received by the {officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.~~

~~9.— Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the} Secretary of State . {within 10 working days after receiving the report.~~

~~10.}~~ Every person, committee, political party or business entity described in subsection 1 shall file a report required by this section even if the person, committee, political party or business entity receives no contributions.

Sec. 11. NRS 294A.220 is hereby amended to read as follows:

294A.220 1. Except as otherwise provided in NRS 294A.283, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a question or group of questions on the ballot at a primary election, primary city election, general election or general city election and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall, not later than January 15 of each year

that the provisions of this subsection apply to the person or group of persons, for the period from January 1 of the previous year through December 31 of the previous year, report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.** The provisions of this subsection apply to the person, group of persons or business entity:

(a) Each year in which:

(1) An election or city election is held for a question for which the person, group of persons or business entity advocates passage or defeat; or

(2) A person, group of persons or business entity receives or expends money in excess of \$10,000 to advocate the passage or defeat of a question or group of questions on the ballot at a primary election, primary city election, general election or general city election; and

(b) The year after each year described in paragraph (a).

2. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. If a question is on the ballot at a general election or general city election held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person, group of persons or business entity described in this subsection shall, not later than:

(a) ~~Seven~~ **Twenty-one** days before the primary election or primary city election, for the period from the January 1 immediately preceding the

primary election or primary city election through ~~{12}~~ 25 days before the primary election or primary city election;

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election, for the period from ~~{11}~~ 24 days before the primary election or primary city election through ~~{12}~~ 5 days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election; ~~and~~

~~(c) July 15 of the year of~~

(c) **Twenty-one days before** the general election or general city election, for the period from ~~{11}~~ 4 days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election through ~~{the June 30 immediately preceding that July 15,}~~ **25 days before the general election or general city election;** **and**

(d) **Four days before the general election or general city election, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,**

➤ report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

3. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. Except as otherwise provided in NRS 294A.283, if a question is on the ballot at a general election or general city election held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person, group of persons or business entity described in this subsection shall, not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary election or primary city election, for the period from the January 1 immediately preceding the primary election or primary city election through ~~{12}~~ **25** days before the primary election or primary city election; ~~{and}~~

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election, for the period from ~~{11}~~ **24** days before the primary election or primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** election or ~~{general}~~ **primary** city election ~~{;}~~ ;

(c) **Twenty-one days before the general election or general city election, for the period from 4 days before the primary election or primary city election through 25 days before the general election or general city election; and**

(d) **Four days before the general election or general city election, for the period from 24 days before the general election or general city election through 5 days before the general election or general city election,**

➡ report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

4. Except as otherwise provided in subsection 5, every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a question or group of questions on the ballot at a special election shall, not later than:

(a) Seven days before the special election, for the period from the date the question qualified for the ballot through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

➡ report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and ~~{provided}~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

5. Every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a question

or group of questions on the ballot at a special election to determine whether a public officer will be recalled and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall list each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group or business entity under **an oath to God or** penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

↪ A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.

6. Expenditures made within the State or made elsewhere but for use within the State, including expenditures made outside the State for printing, television and radio broadcasting or other production of the media, must be included in the report.

7. ~~{The}~~ **Except as otherwise provided in section 3 of this act,** reports required pursuant to this section must be filed **electronically** with ~~{~~

~~(a) If the question is submitted to the voters of one county, the county clerk of that county;~~

~~(b) If the question is submitted to the voters of one city, the city clerk of that city; or~~

~~(c) If the question is submitted to the voters of more than one county or city,}~~ the Secretary of State.

8. If an expenditure is made on behalf of a group of questions, the reports must be itemized by question or petition. ~~{A person may mail or transmit the report to the appropriate filing officer by regular mail, certified mail, facsimile machine or electronic means.}~~

9. A report shall be deemed to be filed ~~{with the filing officer:~~

~~(a) On the date that it was mailed if it was sent by certified mail; or~~

~~(b) On} **on** the date that it was received by the {filing officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.~~

9. ~~Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the} Secretary of State . {within 10 working days after receiving the report.}~~

Sec. 12. NRS 294A.270 is hereby amended to read as follows:

294A.270 1. Except as otherwise provided in subsection 3, each committee for the recall of a public officer shall, not later than:

(a) Seven days before the special election to recall a public officer, for the period from the filing of the notice of intent to circulate the petition for recall through 12 days before the special election; and

(b) Thirty days after the election, for the remaining period through the election,

➔ report each contribution received or made by the committee in excess of \$100 on the form designed and ~~provided~~ ***made available*** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by a representative of the committee under ***an oath to God or*** penalty of perjury. ***A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.***

2. If a petition for the purpose of recalling a public officer is not filed before the expiration of the notice of intent, the committee for the recall of a public officer shall, not later than 30 days after the expiration of the notice of intent, report each contribution received by the committee, and each contribution made by the committee in excess of \$100.

3. If a court does not order a special election for the recall of the public officer, the committee for the recall of a public officer shall, not later than 30 days after the court determines that an election will not be held, for the period from the filing of the notice of intent to circulate the petition for recall through the day the court determines that an election will not be held, report each contribution received by the committee, and each contribution made by the committee in excess of \$100.

4. ~~Each~~ ***Except as otherwise provided in section 3 of this act, each*** report of contributions must be filed ***electronically*** with the Secretary of State. ~~{The committee may mail or transmit the report by regular mail, certified mail, facsimile machine or electronic means.}~~

5. A report 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 } on the date that it was received by the Secretary of State . {if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.~~

~~5-}~~ 6. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution, whether from or to a natural person, association or corporation, in excess of \$100 and contributions which a contributor or the committee has made cumulatively in excess of that amount since the beginning of the current reporting period.

Sec. 13. NRS 294A.280 is hereby amended to read as follows:

294A.280 1. Except as otherwise provided in subsection 3, each committee for the recall of a public officer shall, not later than:

(a) Seven days before the special election to recall a public officer, for the period from the filing of the notice of intent to circulate the petition for recall through 12 days before the special election; and

(b) Thirty days after the election, for the remaining period through the election,

➔ report each expenditure made by the committee in excess of \$100 on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373. The form must be signed by a representative of the committee under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

2. If a petition for the purpose of recalling a public officer is not filed before the expiration of the notice of intent, the committee for the recall of a public officer shall, not later than 30 days after the expiration of the notice of intent, report each expenditure made by the committee in excess of \$100.

3. If a court does not order a special election for the recall of the public officer, the committee for the recall of a public officer shall, not later than 30 days after the court determines that an election will not be held, for the period from the filing of the notice of intent to circulate the petition for recall through the day the court determines that an election will not be held, report each expenditure made by the committee in excess of \$100.

4. ~~Each~~ **Except as otherwise provided in section 3 of this act, each** report of expenditures must be filed **electronically** with the Secretary of State. ~~[The committee may mail or transmit the report to the Secretary of State by regular mail, certified mail, facsimile machine or electronic means.]~~

5. A report 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 report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.]~~

Sec. 14. NRS 294A.283 is hereby amended to read as follows:

294A.283 1. Every person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a constitutional amendment or statewide measure proposed by an initiative or referendum, including, without limitation, the initiation or circulation thereof, and who receives or expends money in an amount in excess of \$10,000 for such advocacy shall, not later than the dates listed in subsection 2, report:

(a) Each campaign contribution in excess of \$1,000 received during each period described in subsection 2;

(b) Contributions received during each period described in subsection 2 from a contributor which cumulatively exceed \$1,000;

(c) Each expenditure in excess of \$1,000 the person, group of persons or business entity makes during each period described in subsection 2; and

(d) The total amount of money the person, group of persons or business entity has at the beginning of each period described in subsection 2, accounting for all contributions received and expenditures made during each previous period.

2. Every person, group of persons or business entity required to report pursuant to subsection 1 shall file that report with the Secretary of State:

(a) For the period beginning on the first day a copy of the petition may be filed with the Secretary of State before it is circulated for signatures pursuant to Section 1 or Section 2 of Article 19 of the Nevada Constitution, as applicable, and ending on the following March 31, not later than April 15;

(b) For the period beginning on April 1 and ending on July 31, not later than August 15;

(c) For the period beginning on August 1 and ending on September 30, not later than October 15; and

(d) For the period beginning on October 1 and ending on December 31, not later than the following January 15.

3. The name and address of the contributor and the date on which the contribution was received must be included on each report for each contribution in excess of \$1,000 and contributions which a contributor has made cumulatively in excess of that amount since the beginning of the applicable reporting period.

4. Expenditures made within the State or made elsewhere but for use within the State, including expenditures made outside the State for printing, television and radio broadcasting or other production of the media, must be included in each report.

5. Each report required pursuant to this section must:

(a) Be on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373; and

(b) Be signed by the person or a representative of the group of persons or business entity under **an oath to God or** penalty of perjury. **A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.**

6. ~~{A}~~ **Except as otherwise provided in section 3 of this act,** a person, group of persons or business entity ~~{may mail or transmit}~~ **shall file** each report ~~{to}~~ **electronically with** the Secretary of State. ~~{by certified mail, regular mail, facsimile machine or electronic means or may deliver the report personally.}~~

7. A report 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~~ *on* the date that it was received by the Secretary of State . ~~[if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.]~~

Sec. 15. NRS 294A.286 is hereby amended to read as follows:

294A.286 1. A person who administers a legal defense fund shall:

(a) Within 5 days after the creation of the legal defense fund, notify the Secretary of State of the creation of the fund on a form provided by the Secretary of State; and

(b) For the same period covered by the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360, report any contribution received by or expenditure made from the legal defense fund.

2. The reports required by paragraph (b) of subsection 1 must be submitted on the form designed and ~~provided~~ *made available* by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the administrator of the legal defense fund under *an oath to God or* penalty of perjury. *A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.*

3. ~~[The]~~ *Except as otherwise provided in section 2 of this act, the* reports required by paragraph (b) of subsection 1 must be filed in the same manner and at the same time as the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360.

Sec. 16. NRS 294A.360 is hereby amended to read as follows:

294A.360 1. ~~[Every]~~ *Except as otherwise provided in section 2 of this act, every* candidate for city office at a primary city election or general city election shall file the reports in the manner required by NRS 294A.120, 294A.128 and 294A.200 for other offices not later than January 15 of each year, for the period from January 1 of the previous year through December 31 of the previous year. The provisions of this subsection apply to the candidate:

(a) Beginning the year of the general city election for that office through the year immediately preceding the next general city election for that office; and

(b) Each year immediately succeeding a calendar year during which the candidate disposes of contributions pursuant to NRS 294A.160.

2. ~~[Every]~~ *Except as otherwise provided in section 2 of this act, every* candidate for city office at a primary city election or general city election, if the general city election for the office for which he or she is a candidate is held on or after January 1 and before the July 1 immediately following that January 1, shall file the reports in the manner required by NRS 294A.120, 294A.128 and 294A.200 for other offices not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary city election for that office, for the period from the January 1 immediately preceding the primary city election through ~~{12}~~ **25** days before the primary city election;

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** city election for that office, for the period from ~~{11}~~ **24** days before the primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** city election; ~~and~~

~~(c) July 15 of the year of~~

(c) **Twenty-one days before** the general city election for that office, for the period from ~~{11}~~ **4** days before the ~~{general}~~ **primary** city election through ~~{the June 30 of that year.}~~ **25 days before the general city election; and**

(d) **Four days before the general city election for that office, for the period from 24 days before the general city election through 5 days before the general city election.**

3. ~~{Every}~~ **Except as otherwise provided in section 2 of this act, every** candidate for city office at a primary city election or general city election, if the general city election for the office for which he or she is a candidate is held on or after July 1 and before the January 1 immediately following that July 1, shall file the reports in the manner required by NRS 294A.120, 294A.128 and 294A.200 for other offices not later than:

(a) ~~{Seven}~~ **Twenty-one** days before the primary city election for that office, for the period from the January 1 immediately preceding the primary city election through ~~{12}~~ **25** days before the primary city election; ~~and~~

(b) ~~{Seven}~~ **Four** days before the ~~{general}~~ **primary** city election for that office, for the period from ~~{11}~~ **24** days before the primary city election through ~~{12}~~ **5** days before the ~~{general}~~ **primary** city election ~~{;}~~;

(c) **Twenty-one days before the general city election for that office, for the period from 4 days before the primary city election through 25 days before the general city election; and**

(d) **Four days before the general city election for that office, for the period from 24 days before the general city election through 5 days before the general city election.**

4. Except as otherwise provided in subsection 5, every candidate for city office at a special election shall so file those reports:

(a) Seven days before the special election, for the period from the candidate's nomination through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election.

5. Every candidate for city office at a special election to determine whether a public officer will be recalled shall so file those reports 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

Sec. 17. NRS 294A.362 is hereby amended to read as follows:

294A.362 1. In addition to reporting information pursuant to NRS 294A.120, 294A.125, 294A.128, 294A.200 and 294A.360, each candidate who is required to file a report of campaign contributions and expenses pursuant to NRS 294A.120, 294A.125, 294A.128, 294A.200 or 294A.360 shall report on the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373 goods and services provided in kind for which money would otherwise have been paid. The candidate shall list on the form ~~each~~ :

(a) ***Each*** such campaign contribution in excess of \$100 received during the reporting period ~~[-each]~~ ;

(b) ***Each*** such campaign contribution from a contributor received during the reporting period which cumulatively exceeds \$100 ~~[-and each]~~ ;

(c) ***Each*** such expense in excess of \$100 incurred during the reporting period ~~[-]~~ ;

(d) ***The total of all such campaign contributions received during the reporting period which are \$100 or less and which are not otherwise required to be reported pursuant to paragraph (b); and***

(e) ***The total of all such expenses incurred during the reporting period which are \$100 or less.***

2. The Secretary of State and each city clerk shall not require a candidate to list the campaign contributions and expenses described in this section on any form other than the form designed and ~~provided~~ **made available** by the Secretary of State pursuant to NRS 294A.373.

3. Except as otherwise provided in section 2 of this act, the report required by subsection 1 must be filed in the same manner and at the same time as the report filed pursuant to NRS 294A.120, 294A.125, 294A.128, 294A.200 or 294A.360.

Sec. 18. NRS 294A.373 is hereby amended to read as follows:

294A.373 1. The Secretary of State shall design ~~[-a single form]~~ **forms** to be used for all reports of campaign contributions and expenses or expenditures that are required to be filed pursuant to NRS 294A.120, 294A.125, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283, 294A.360 and 294A.362 and reports of contributions received by and expenditures made from a legal defense fund that are required to be filed pursuant to NRS 294A.286.

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

3. ~~{Upon request, the}~~ *The* Secretary of State shall ~~{provide}~~ *make available to each candidate, person, committee, political party, group of persons or business entity that is required to file a report described in subsection 1:*

(a) *If the candidate, person, committee, political party, group or business entity has submitted an affidavit to the Secretary of State pursuant to section 2 or 3 of this act, as applicable, a copy of the form {designed pursuant to this section to each person, committee, political party, group and business entity that is required to file a report described in subsection 1.} ; or*

(b) *If the candidate, person, committee, political party, group or business entity is required to submit the report electronically to the Secretary of State, access through a secure website to the form.*

4. *If the candidate, person, committee, political party, group of persons or business entity is required to submit electronically a report described in subsection 1, the form must be signed electronically under an oath to God or penalty of perjury. A person who signs the form under an oath to God is subject to the same penalties as if the person had signed the form under penalty of perjury.*

5. The Secretary of State must obtain the advice and consent of the Legislative Commission before ~~{providing}~~ *making* a copy of , *or access to*, a form designed or revised by the Secretary of State pursuant to this section *available* to a *candidate, person, committee, political party, group of persons* or business entity . ~~{that is required to use the form.}~~

Sec. 18.5. NRS 294A.382 is hereby amended to read as follows:

294A.382 The Secretary of State shall not request or require a candidate, person, group of persons, committee, political party or business entity to list each of the expenditures or campaign expenses of \$100 or less on a form designed and ~~{provided}~~ *made available* pursuant to NRS 294A.373.

Sec. 19. NRS 294A.390 is hereby amended to read as follows:

294A.390 The officer from whom a candidate or entity requests a form for:

1. A declaration of candidacy;
2. An acceptance of candidacy;
3. The registration of a committee for political action pursuant to NRS 294A.230, a committee for the recall of a public officer pursuant to NRS 294A.250 or a business entity that wishes to engage in certain political activity pursuant to NRS 294A.227; *or*
4. The reporting of the creation of a legal defense fund pursuant to NRS 294A.286 , ~~{or~~

~~5. The reporting of campaign contributions, expenses or expenditures pursuant to NRS 294A.120, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283 or 294A.360 and the~~

~~reporting of contributions received by and expenditures made from a legal defense fund pursuant to NRS 294A.286,]~~

↪ shall furnish the candidate *or entity* with the necessary forms for reporting and copies of the regulations adopted by the Secretary of State pursuant to this chapter. An explanation of the applicable provisions of NRS 294A.100, 294A.120, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283 or 294A.360 relating to the making, accepting or reporting of campaign contributions, expenses or expenditures and the penalties for a violation of those provisions as set forth in NRS 294A.100 or 294A.420, and an explanation of NRS 294A.286 and 294A.287 relating to the accepting or reporting of contributions received by and expenditures made from a legal defense fund and the penalties for a violation of those provisions as set forth in NRS 294A.287 and 294A.420, must be developed by the Secretary of State and provided upon request. The candidate or entity shall acknowledge receipt of the material.

Sec. 20. NRS 294A.400 is hereby amended to read as follows:

294A.400 The Secretary of State shall, within 30 days after receipt of the reports required by NRS 294A.120, 294A.125, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283 , ~~and~~ 294A.286, **294A.360 and 294A.362**, prepare and make available for public inspection a compilation of:

1. The total campaign contributions, the contributions which are in excess of \$100 and the total campaign expenses of each of the candidates from whom reports of those contributions and expenses are required.

2. The total amount of loans to a candidate guaranteed by a third party, the total amount of loans made to a candidate that have been forgiven and the total amount of written commitments for contributions received by a candidate.

3. The contributions made to a committee for the recall of a public officer in excess of \$100.

4. The expenditures exceeding \$100 made by a:

(a) Person on behalf of a candidate other than the person.
(b) Group of persons or business entity advocating the election or defeat of a candidate.

(c) Committee for the recall of a public officer.

5. The contributions in excess of \$100 made to:

(a) A person who is not under the direction or control of a candidate or group of candidates or of any person involved in the campaign of the candidate or group who makes an expenditure on behalf of the candidate or group which is not solicited or approved by the candidate or group.

(b) A committee for political action, political party, committee sponsored by a political party or business entity which makes an expenditure on behalf of a candidate or group of candidates.

6. The contributions in excess of \$1,000 made to and the expenditures exceeding \$1,000 made by a:

(a) Person or group of persons organized formally or informally, including a business entity who advocates the passage or defeat of a question or group of questions on the ballot and who receives or expends money in an amount in excess of \$10,000 for such advocacy, except as otherwise provided in paragraph (b).

(b) Person or group of persons organized formally or informally, including a business entity, who advocates the passage or defeat of a constitutional amendment or statewide measure proposed by an initiative or referendum, including, without limitation, the initiation or circulation thereof, and who receives or expends money in an amount in excess of \$10,000 for such advocacy.

7. The total contributions received by and expenditures made from a legal defense fund.

Sec. 21. Chapter 281A of NRS is hereby amended by adding thereto the provisions set forth as sections 22 and 23 of this act.

Sec. 22. ~~[1. Except as otherwise provided in subsection 2, a former public officer shall not receive compensation or other consideration to:~~

~~(a) Appear in person in the building in which the governing body holds meetings; and~~

~~(b) Communicate directly with a member of the governing body on behalf of someone other than himself or herself to influence legislative action;~~

~~nor for a period of 2 years after the end of his or her term of office or appointment.~~

~~2. The provisions of subsection 1 do not apply to a former public officer in any of the following circumstances:~~

~~(a) The former public officer is an employee of a bona fide news medium who engages in conduct described in subsection 1 only in the course of his or her professional duties and who contacts members of the governing body for the sole purpose of carrying out his or her news gathering function.~~

~~(b) The former public officer is now an officer or employee of a governing body other than the governing body to which the former public officer was elected or appointed, if the appearance or communication is for the purpose of influencing legislative action on behalf of that governing body.~~

~~(c) The former public officer is an elected officer of this State or a political subdivision who confines his or her appearance or communication with the governing body to issues directly related to the scope of the office to which he or she was elected.~~

~~3. As used in this section:~~

~~(a) "Consideration" means a gift, salary, payment, distribution, loan, advance or deposit of money or anything of value and includes, without limitation, a contract, promise or agreement, whether or not legally enforceable.~~

~~(b) "Governing body" means the legislative body of the State or political subdivision to which the former public officer was elected or appointed, or any standing committee thereof.~~

~~(c) "Legislative action" means introduction, sponsorship, debate, voting and any other official action on any bill, resolution, ordinance, amendment, nomination, appointment, report and any other matter pending before or proposed by a governing body, or on any matter which may be the subject of action by the governing body.] (Deleted by amendment.)~~

Sec. 23. 1. A candidate or public officer who is required to file a statement of financial disclosure with the Secretary of State pursuant to NRS 281A.600 or 281A.610 is not required to file the statement electronically if the candidate or public officer has on file with the Secretary of State an affidavit which satisfies the requirements set forth in subsection 2 and which states that:

(a) The candidate or public officer does not own or have the ability to access the technology necessary to file electronically the statement of financial disclosure; and

(b) The candidate or public officer does not have the financial ability to purchase or obtain access to the technology necessary to file electronically the statement of financial disclosure.

2. The affidavit described in subsection 1 must be:

(a) In the form prescribed by the Secretary of State and signed under an oath to God or penalty of perjury. A candidate or public officer who signs the affidavit under an oath to God is subject to the same penalties as if the candidate or public officer had signed the affidavit under penalty of perjury.

(b) Except as otherwise provided in subsection 4, filed not less than 15 days before the statement of financial disclosure is required to be filed.

3. A candidate or public officer who is not required to file the statement of financial disclosure electronically may file the statement of financial disclosure by transmitting the statement by regular mail, certified mail, facsimile machine or personal delivery. A statement of financial disclosure

transmitted pursuant to this subsection shall be deemed to be filed on the date that it was received by the Secretary of State.

4. *A person who is appointed to fill the unexpired term of an elected or appointed public officer must file the affidavit described in subsection 1 not later than 15 days after his or her appointment to be exempted from the requirement of filing a report electronically.*

Sec. 24. 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.

(d) Recommend to the Commission any regulations or 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. 25. 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.

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 ~~{ }~~, ***other than cases of noncompliance with NRS 281A.600, 281A.610 and 281A.620.***

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. 26. 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. 27. ~~[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 [;] for 1 year after the termination of the member's service on the Public Utilities Commission of Nevada; 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] for 2 years 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 [;] for 2 years after the termination of the member's service on the State Gaming Control Board or the Nevada Gaming Commission; 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, 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 if:~~

~~(a) The former public officer is engaged in the profession, occupation or business regulated by the board, commission or similar body;~~

~~(b) The former public officer holds a license issued by the board, commission or similar body; and~~

~~(c) Holding a license issued by the board, commission or similar body 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, 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, 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 Commission determines that~~

relief from the strict application of the provisions of subsection 3 or 5, as applicable, is not contrary to:

- ~~(a) The best interests of the public;~~
- ~~(b) The continued ethical integrity of the State Government or political subdivision, as applicable; and~~
- ~~(c) 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. 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 that is exempted from the requirements of chapter 233B of NRS.] (Deleted by amendment.)~~

Sec. 28. NRS 281A.600 is hereby amended to read as follows:

281A.600 1. Except as otherwise provided in ~~subsection 2,~~ *subsections 2 and 3 and section 23 of this act*, 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 *electronically* 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:~~

~~(a) On the date that it was mailed if it was sent by certified mail; or~~

~~(b) On] on the date that it was received by the [Commission if the statement was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.] Secretary of State.~~

5. Except as otherwise provided in section 23 of this act, the Secretary of State shall provide access through a secure website to the statement of financial disclosure to each person who is required to file the statement with the Secretary of State pursuant to this section.

6. The Secretary of State may adopt regulations necessary to carry out the provisions of this section.

Sec. 29. NRS 281A.610 is hereby amended to read as follows:

281A.610 1. Except as otherwise provided in ~~[subsection 2,]~~ **subsections 2 and 3 and section 23 of this act**, 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 **electronically** 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} 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 form prescribed by the Commission pursuant to NRS 281A.290.~~

~~7. The}~~

6. *Except as otherwise provided in section 23 of this act, 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.}~~ provide access through a secure website to the statement of financial disclosure to each person who is required to file the statement with the Secretary of State pursuant to this section.*

7. *The Secretary of State may adopt regulations necessary to carry out the provisions of this section.*

Sec. 30. 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 *electronic* 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.

2. ~~The [Commission 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 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.]~~

Secretary of State may adopt regulations necessary to carry out the provisions of this section.

3. As used in this section, “member of the candidate’s or public 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. 31. 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.

Sec. 32. 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. 33. 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 :

1. *If the candidate is a candidate for judicial office*, the form prescribed by the ~~{Commission}~~ **Administrative Office of the Courts** for the making of a statement of financial disclosure ~~{-}~~ ;

2. *If the candidate is not a candidate for judicial office and is required to file electronically the statement of financial disclosure, access to the electronic form prescribed by the Secretary of State; or*

3. *If the candidate is not a candidate for judicial office, is required to submit the statement of financial disclosure electronically and has submitted an affidavit to the Secretary of State pursuant to section 23 of this act, the form prescribed by the Secretary of State,*

↪ accompanied by instructions on how to complete the form ~~{, where it must be filed}~~ and the time by which it must be filed.

Sec. 34. ~~{1. This section and sections 22 and 27 of this act become effective on July 1, 2011.~~

~~2. Sections 1 to 21, inclusive, 23 to 26, inclusive, and 28 to 33, inclusive, of this act {become} becomes effective on January 1, 2012.~~

Assemblyman Segerblom moved that the Assembly concur in the Senate Amendment No. 834 to Assembly Bill No. 452.

Remarks by Assemblyman Segerblom.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 260.

The following Senate amendment was read:

Amendment No. 856.

AN ACT relating to the Legislature; requiring newly elected Legislators to attend training before the beginning of their first legislative session; ~~{providing a monetary penalty for failure to attend the training sessions;}~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~{Section 3 of this}~~ **This** bill requires newly elected Legislators to attend training before the beginning of their first legislative session. The Speaker of the Assembly and the Majority Leader of the Senate are required to specify the dates of the training and to indicate which training sessions are mandatory. ~~{Section 4 of this bill provides that a Legislator who does not attend a mandatory training session without being excused must pay a~~

~~penalty during the regular legislative session equal to one day of salary for each training session that was missed, to be deducted from the salary otherwise payable to the Legislator during the regular session.]~~

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

Section 1. Chapter 218A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. ~~For the purposes of sections 2, 3 and 4 of this act, the Speaker of the Assembly, the Majority Leader of the Senate, the Minority Leader of the Assembly and the Minority Leader of the Senate are:~~

1. For the period that begins immediately following a regular session of the Legislature until the day of the next general election, the members of the Legislature who served in those positions during that regular session or the persons designated as replacements in those positions; and

2. For the period that begins on the day next after the general election until the commencement of the ensuing regular session of the Legislature, the persons designated for those positions for the ensuing session.

Sec. 3. 1. A Legislator who is elected to the Assembly or the Senate who has not previously served in either House of the Legislature shall attend the training required pursuant to this section unless his or her attendance is excused pursuant to subsection 6.

2. A member of the Assembly who is required to attend training pursuant to this section shall attend each training session designated as mandatory by the Speaker of the Assembly. A member of the Senate who is required to attend training pursuant to this section shall attend each training session designated as mandatory by the Majority Leader of the Senate.

3. The training required pursuant to this section must be recorded electronically and include:

(a) Legislative procedure and protocol;
(b) Overviews of the state budget and the budgetary process;
(c) Briefings on policy issues relevant to the State; and
(d) Such other matters as are deemed appropriate by the Speaker of the Assembly, the Majority Leader of the Senate, the Minority Leader of the Assembly and the Minority Leader of the Senate for their respective Houses.

4. The Director of the Legislative Counsel Bureau shall provide staff support for the training required pursuant to this section.

5. The training required pursuant to this section must not exceed a total of 10 days and must be conducted between the day next after the general election and the commencement of the ensuing regular session of

the Legislature. The dates for the training must be determined by the Speaker of the Assembly and the Majority Leader of the Senate and posted on the public website of the Nevada Legislature on an Internet website not later than 90 days before the first day on which training will be conducted.

6. *The Speaker of the Assembly or the Majority Leader of the Senate may excuse a Legislator from attending a training session otherwise required pursuant to this section in case of illness, injury, emergency, employment or other good cause as determined by the Speaker or Majority Leader.*

7. *The Director of the Legislative Counsel Bureau shall provide an electronic copy of a training session and a form for attesting completion of the training session to any Legislator who was unable to attend the training session. To successfully complete the training required pursuant to this section, such a Legislator must view the training session electronically and submit the attestation to the Director of the Legislative Counsel Bureau.*

8. *The Director of the Legislative Counsel Bureau shall issue a "Certificate of Graduation from the Legislative Training Academy" to each Legislator who successfully completes the training required pursuant to this section.*

Sec. 4. ~~*{1. A Legislator who fails to attend a training session designated as mandatory pursuant to section 3 of this act, unless excused by the Speaker of the Assembly or the Majority Leader of the Senate, as applicable, shall pay a penalty equal to one day of salary for each mandatory training session which he or she failed to attend. The penalty must be withheld from the salary otherwise payable to the Legislator pursuant to NRS 218A.630.*~~

~~*2. A Legislator may appeal a penalty imposed pursuant to subsection 1 to the Assembly or Senate, as applicable. The Assembly or Senate, or a committee appointed to hear the appeal, may affirm the penalty, reduce the amount of the penalty or excuse the penalty. Each House shall determine the procedure for such an appeal.*~~ (Deleted by amendment.)

Sec. 5. NRS 218A.635 is hereby amended to read as follows:

218A.635 1. Except as otherwise provided in subsections 2 and 4, each Senator, Assemblywoman and Assemblyman is entitled to receive the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session, and the per diem allowance and travel expenses provided by law, for each day of attendance at a presession orientation conference *or a training session conducted pursuant to section 3 of this act* or at a conference, meeting, seminar or other gathering at which the Legislator officially represents the State of Nevada or its Legislature.

2. A nonreturning Legislator must not be paid the compensation or per diem allowance and travel expenses provided in subsection 1 for attendance at a conference, meeting, seminar or other gathering unless:

(a) It is conducted by a statutory committee or a committee of the Legislature and the Legislator is a member of that committee; or

(b) The Majority Leader of the Senate or Speaker of the Assembly designates the Legislator to attend because of the Legislator's knowledge or expertise.

3. For the purposes of this section, "nonreturning Legislator" means a Legislator who, in the year that the Legislator's term of office expires:

(a) Has not filed a declaration or an acceptance of candidacy within the time allowed for filing for election as a Senator, Assemblywoman or Assemblyman;

(b) Has failed to win nomination as a candidate for the Senate or the Assembly at the primary election; or

(c) Has withdrawn as a candidate for the Senate or the Assembly.

4. This section does not apply:

(a) During a regular or special session of the Legislature; or

(b) To any Senator, Assemblywoman or Assemblyman who is otherwise entitled to receive a salary and the per diem allowance and travel expenses.

Sec. 6. NRS 218A.640 is hereby amended to read as follows:

218A.640 A Legislator who attends and is compensated for attending a:

1. Session or presession orientation conference of the Legislature ~~or~~ ***or a training session conducted pursuant to section 3 of this act;***

2. Meeting of an interim legislative committee; or

3. Meeting of the Legislative Commission or its Audit Subcommittee,
 ➤ is not entitled to receive an additional day's salary or compensation for any other such meeting or conference the Legislator attends in that day.

Sec. 7. NRS 218A.645 is hereby amended to read as follows:

218A.645 1. The per diem expense allowance and the travel and telephone expenses of Senators, Assemblymen and Assemblywomen elected or appointed and in attendance at any session or presession orientation conference of the Legislature ***or training session conducted pursuant to section 3 of this act*** must be allowed in the manner set forth in this section.

2. For initial travel from the Legislator's home to Carson City, Nevada, to attend a session or presession orientation conference of the Legislature ~~or~~ ***or a training session conducted pursuant to section 3 of this act***, and for return travel from Carson City, Nevada, to the Legislator's home upon adjournment sine die of a session or termination of a presession orientation conference of the Legislature ~~or~~ ***or termination of a training session conducted pursuant to section 3 of this act***, each Senator, Assemblyman and Assemblywoman is entitled to receive:

(a) A per diem expense allowance, not to exceed the maximum rate established by the Federal Government for the Carson City area, for 1 day's travel to and 1 day's travel from the session, *training session* or conference.

(b) Travel expenses.

3. In addition to the per diem and travel expenses authorized by subsection 2, each Senator, Assemblyman and Assemblywoman is entitled to receive a supplemental allowance which must not exceed:

(a) A total of \$10,000 during each regular session of the Legislature for:

(1) The Legislator's actual expenses in moving to and from Carson City for the session;

(2) Travel to and from the Legislator's home or temporary residence or for traveling to and from legislative committee and subcommittee meetings or hearings or for individual travel within the State which relates to legislative business;

(3) If the Legislator rents furniture for the Legislator's temporary residence rather than moving similar furniture from the Legislator's home, the cost of renting that furniture not to exceed the amount that it would have cost to move the furniture to and from the Legislator's home; and

(4) If:

(I) The Legislator's home is more than 50 miles from Carson City; and

(II) The Legislator maintains temporary quarters in or near Carson City for which the Legislator has entered into a lease or other agreement for occupancy during a regular legislative session,

→ the cost of such additional housing, paid at the end of each month during the legislative session, beginning the month of the first day of the legislative session and ending the month of the adjournment sine die of the legislative session, in an amount that is the fair market rent for a one bedroom unit in Carson City as published by the United States Department of Housing and Urban Development prorated for the number of days of the month that the Legislator actually maintained the temporary quarters in or near Carson City. For the purposes of this subparagraph, any day before the first day of the legislative session or after the day of the adjournment sine die of the legislative session may not be counted as a day for which the Legislator actually maintained such temporary quarters; and

(b) A total of \$1,200 during each special session of the Legislature for travel to and from the Legislator's home or temporary residence or for traveling to and from legislative committee and subcommittee meetings or hearings or for individual travel within the State which relates to legislative business.

4. Each Senator, Assemblyman and Assemblywoman is entitled to receive a per diem expense allowance, not to exceed the maximum rate

established by the Federal Government for the Carson City area, for each day that the Legislature is in session or in a pre-session orientation conference ~~or~~ **or a training session conducted pursuant to section 3 of this act**, and for each day that the Legislator attends a meeting of a standing committee of which the Legislator is a member when the Legislature has adjourned for more than 4 days.

5. Each Senator, Assemblyman and Assemblywoman who maintains temporary quarters in or near Carson City for which the Legislator has entered into a lease or other agreement for continuous occupancy for the duration of a legislative session is entitled to receive a lodging allowance equal to that portion of the expense allowance which the Legislative Commission designates by rule as being allocated to lodging, for not more than 14 days in each period in which:

(a) The Legislature has adjourned until a time certain; and

(b) The Senator, Assemblyman or Assemblywoman is not entitled to a per diem expense allowance pursuant to subsection 4.

6. In addition to the per diem expense allowance authorized by subsection 4 and the lodging allowance authorized by subsection 5, each Senator, Assemblyman and Assemblywoman who maintains temporary quarters in or near Carson City for which the Legislator has entered into a lease or other agreement for continuous occupancy for the duration of a legislative session is entitled to receive a lodging allowance equal to that portion of the expense allowance which the Legislative Commission designates by rule as being allocated to lodging, for not more than 17 days in each period in which:

(a) The Legislature has adjourned for more than 4 days; and

(b) The Senator, Assemblyman or Assemblywoman must obtain temporary lodging in a location that a standing committee of which the Legislator is a member is meeting.

7. Each Senator, Assemblyman and Assemblywoman is entitled to receive a lodging allowance equal to that portion of the expense allowance which the Legislative Commission designates by rule as being allocated to lodging, for not more than 6 days in each period in which:

(a) The Legislature has adjourned for more than 4 days; and

(b) The Senator, Assemblyman or Assemblywoman must obtain temporary lodging in a location that a standing committee of which the Legislator is a member is meeting,

↪ if the Senator, Assemblyman or Assemblywoman is not entitled to the per diem expense allowance authorized by subsection 4 or the lodging allowances authorized by subsections 5 and 6.

8. Each Senator, Assemblyman and Assemblywoman is entitled to receive a telephone allowance of not more than \$2,800 for the payment of

tolls and charges incurred by the Legislator in the performance of official business during each regular session of the Legislature and not more than \$300 during each special session of the Legislature.

9. An employee of the Legislature assigned to serve a standing committee is entitled to receive the travel expenses and per diem allowance provided for state officers and employees generally if the employee is required to attend a hearing of the committee outside Carson City.

10. Claims for per diem expense allowances authorized by subsection 4 and lodging allowances authorized by subsections 5, 6 and 7 must be paid once each week during a legislative session and upon completion of a presession orientation conference ~~[-] or a training session conducted pursuant to section 3 of this act.~~

11. A claim for travel expenses authorized by subsection 2 or 3 must not be paid unless the Senator, Assemblyman or Assemblywoman submits a signed statement affirming:

(a) The date of the travel; and

(b) The places of departure and arrival and, if the travel is by private conveyance, the actual miles traveled. If the travel is not by private conveyance, the claim must include a receipt or other evidence of the expenditure.

12. Travel expenses authorized by subsections 2 and 3 are limited to:

(a) If the travel is by private conveyance, a rate equal to the standard mileage reimbursement rate for which a deduction is allowed for the purposes of federal income tax. If two or more Legislators travel in the same private conveyance, the Legislator who provided or arranged for providing the transportation is presumed entitled to reimbursement.

(b) If the travel is not by private conveyance, the actual amount expended.

➡ Transportation must be by the most economical means, considering total cost, time spent in transit and the availability of state-owned automobiles.

Assemblyman Segerblom moved that the Assembly concur in the Senate Amendment No. 856 to Assembly Bill No. 260.

Remarks by Assemblyman Segerblom.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 77.

The following Senate amendment was read:

Amendment No. 617.

AN ACT relating to mortgage lending; revising provisions relating to the licensing of escrow agents and escrow agencies; revising provisions relating to a surety bond or substitute security posted by an escrow agency; requiring the Commissioner of Mortgage Lending to establish certain fees; revising

provisions relating to disciplinary action for an escrow agent or escrow agency; establishing provisions governing the arranging or servicing of loans in which an investor has an interest; requiring a mortgage broker who services a loan to make certain reports; exempting certain natural persons and nonprofit organizations from statutes governing mortgage brokers and mortgage agents; revising provisions relating to a surety bond posted by a mortgage broker; requiring a mortgage broker to review an impound trust account annually; revising provisions relating to the renewal of a license as a mortgage banker; enacting requirements for mortgage brokers and for mortgage bankers to make the statutory schemes governing the two professions more similar; allowing disclosure of certain confidential information relating to an investigation; enacting provisions for the enforcement of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008; requiring the licensing of a person who performs the services of a construction control; requiring the licensing of a provider of certain additional services as a provider of covered services; revising provisions relating to compensation for a provider of covered services; increasing certain administrative fines; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law governs the conduct of escrow agents and escrow agencies and requires the Commissioner of Mortgage Lending to supervise and control the conduct of escrow agents and escrow agencies within this State. (Chapter 645A of NRS) **Section 3.5** of this bill includes the performance of the services of a construction control within the definition of escrow. **Sections 4 and 5** of this bill revise provisions relating to the licensing of escrow agents and escrow agencies. **Section 6** of this bill revises provisions relating to the surety bond posted by an escrow agency. **Sections 8 and 9** of this bill revise provisions relating to the fees and costs relating to escrow agents and escrow agencies that the Commissioner is authorized to collect. **Sections 2 and 10-12** of this bill revise provisions relating to discipline for activities relating to escrow agents and escrow agencies.

Existing law governs the conduct of mortgage agents and mortgage brokers and requires the Commissioner of Mortgage Lending to supervise and control the conduct of mortgage agents and mortgage brokers within this State. (Chapter 645B of NRS) **Sections 21, 22, 24, 25, 34 and 37** of this bill establish provisions governing the arranging or servicing of loans by a mortgage broker in which an investor has an interest. **Section 44** of this bill revises the exemptions from the statutes governing mortgage agents and mortgage brokers. **Sections 47 and 48** of this bill revise provisions relating to a surety bond posted by a mortgage broker. **Section 53** of this bill authorizes the Commissioner to disclose certain confidential information

relating to an investigation. **Section 56** of this bill requires a mortgage broker to review an impound trust account annually.

Existing law governs the conduct of mortgage bankers and requires the Commissioner of Mortgage Lending to supervise and control the conduct of mortgage bankers within this State. (Chapter 645E of NRS) **Section 72** of this bill revises the exemptions from the statutes governing mortgage bankers. **Section 81** of this bill authorizes the Commissioner to disclose certain confidential information relating to an investigation.

Existing law requires the Commissioner to adopt regulations concerning the licensing of persons who provide certain covered services. (NRS 645F.390) **Section 96** of this bill includes additional services within the definition of “covered services.” **Section 101** of this bill revises provisions governing the compensation a provider of covered services may receive. **Existing law exempts an attorney at law from the requirements concerning the licensing of persons who provide covered services for compensation, but section 98 of this bill specifically provides that an attorney at law is subject to the provisions of section 88.5 of this bill, which prohibit a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant from requesting or receiving any compensation before a homeowner executes a written agreement that incorporates an offer of mortgage assistance.**

Sections 42, 45, 46, 50-55, 59, 60, 62-64, 67, 69, 73, 76, 79-82 and 99 of this bill enact or revise provisions to implement the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

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

Section 1. NRS 645.8725 is hereby amended to read as follows:

645.8725 “Escrow” has the meaning ascribed to it in subsection ~~{3}~~ 4 of NRS 645A.010.

Sec. 1.3. NRS 645.8731 is hereby amended to read as follows:

645.8731 “Escrow agent” has the meaning ascribed to it in subsection ~~{3}~~ 4 of NRS 645A.010.

Sec. 1.7. Chapter 645A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *If a person offers or provides any of the services of an escrow agent or escrow agency or otherwise engages in, carries on or holds himself or herself out as engaging in or carrying on the business of an escrow agent or escrow agency and, at the time:*

1. The person was required to have a license pursuant to this chapter and the person did not have such a license; or

2. The person's license was suspended or revoked pursuant to this chapter,

↪ the Commissioner shall impose upon the person an administrative fine of not more than \$25,000 for each violation and, if the person has a license, the Commissioner may suspend or revoke it.

Sec. 3. 1. *If an escrow agency is not a natural person, the escrow agency must designate a natural person as a qualified employee to act on behalf of the escrow agency.*

2. The Division shall adopt regulations regarding a qualified employee, including, without limitation, regulations that establish:

- (a) A definition for the term "qualified employee";*
- (b) Any duties of a qualified employee; and*
- (c) Any requirements regarding a qualified employee.*

Sec. 3.5. NRS 645A.010 is hereby amended to read as follows:

645A.010 As used in this chapter, unless the context otherwise requires:

- 1. "Commissioner" means the Commissioner of Mortgage Lending.
- 2. ***"Construction control" has the meaning ascribed to it in NRS 627.050.***

3. "Division" means the Division of Mortgage Lending of the Department of Business and Industry.

~~{3-}~~ **4.** "Escrow" means any transaction wherein one person, for the purpose of effecting the sale, transfer, encumbering or leasing of real or personal property to another person, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered by such third person to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor or any agent or employee of any of the latter. The term includes the collection of payments and the performance of related services by a third person in connection with a loan secured by a lien on real property ~~[-~~

~~4-}~~ ***and the performance of the services of a construction control.***

5. "Escrow agency" means:

- (a) Any person who employs one or more escrow agents; or
- (b) An escrow agent who administers escrows on his or her own behalf.

~~{5-}~~ **6.** "Escrow agent" means any person engaged in the business of administering escrows for compensation.

Sec. 4. NRS 645A.020 is hereby amended to read as follows:

645A.020 1. A person who wishes to be licensed as an escrow agent or agency must file a written application in the Office of the Commissioner.

2. The application must:

- (a) Be verified.
- (b) Be accompanied by the appropriate fee prescribed in NRS 645A.040.

(c) State the location of the applicant's principal office and branch offices in the State and residence address.

(d) State the name under which the applicant will conduct business.

(e) List the names, residence and business addresses of all persons having an interest in the business as principals, partners, officers, trustees or directors, specifying the capacity and title of each.

(f) Indicate the general plan and character of the business.

(g) State the length of time the applicant has been engaged in the escrow business.

(h) Require a financial statement of the applicant.

(i) Require such other information as the Commissioner determines necessary.

(j) If for an escrow agency, designate a natural person to receive service of process in this State for the agency.

(k) ***Include a complete set of the fingerprints of the applicant or, if the applicant is not a natural person, a complete set of the fingerprints of each person who will have an interest in the escrow agency as a principal, partner, officer, director or trustee, and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.***

(l) Include all information required to complete the application.

3. If the Commissioner determines, after investigation, that the experience, character, financial condition, business reputation and general fitness of the applicant are such as to command the confidence of the public and to warrant the belief that the business conducted will protect and safeguard the public, the Commissioner shall issue a license to the applicant as an escrow agent or agency.

4. The Commissioner may waive the investigation required by subsection 3 if the applicant submits with the application satisfactory proof that the applicant, in good standing, currently holds a license, or held a license, within 1 year before the date the applicant submits his or her application, which was issued pursuant to the provisions of NRS 692A.103.

5. An escrow agent or agency shall immediately notify the Division of any material change in the information contained in the application.

6. A person may not be licensed as an escrow agent or agency or be a principal, ***partner***, officer, director or trustee of an escrow agency if the person is the holder of an active license issued pursuant to chapter 645 of NRS.

7. ***If the Commissioner finds that additional information is required to consider the application, the Commissioner shall send a letter to the applicant which specifies the additional requirements that the applicant***

must satisfy within 30 days after receiving the letter to obtain a license. If the applicant does not satisfy all additional requirements set forth in the letter within 30 days after receipt of the letter, the application will be deemed to have been denied, and the applicant must reapply to obtain a license. The Commissioner may, for good cause, extend the 30-day period prescribed in this subsection.

Sec. 5. NRS 645A.040 is hereby amended to read as follows:

645A.040 1. Every license issued pursuant to the provisions of this chapter expires on July 1 of each year if it is not renewed. A license may be renewed by filing an application for renewal, paying the annual fee for the succeeding year and submitting all information required to complete the renewal.

2. The fees for the issuance or renewal of a license for an escrow agency are:

(a) For filing an application for an initial license, \$500 for the principal office and \$100 for each branch office.

(b) If the license is approved for issuance, \$200 for the principal office and \$100 for each branch office. The fee must be paid before issuance of the license.

(c) For filing an application for renewal, \$200 for the principal office and \$100 for each branch office.

3. The fees for the issuance or renewal of a license for an escrow agent are:

(a) For filing an application for an initial license or for the renewal of a license, \$100.

(b) If a license is approved for issuance or renewal, \$25. The fee must be paid before the issuance or renewal of the license.

4. If a licensee fails to pay the fee or submit all required information for the annual renewal of his or her license before its expiration, the license may be renewed only upon the payment of a fee one and one-half times the amount otherwise required for renewal. A license may be renewed pursuant to this subsection only if all the fees are paid and all required information is submitted within ~~1 year~~ **2 months** after the date on which the license expired.

5. In addition to the other fees set forth in this section, each applicant or licensee shall pay:

(a) For filing an application for a duplicate copy of any license, upon satisfactory showing of its loss, \$10.

(b) For filing any change of information contained in the application, \$10.

(c) For each change of association with an escrow agency, \$25.

6. Except as otherwise provided in this chapter, all fees received pursuant to this chapter must be deposited in the Fund for Mortgage Lending created by NRS 645F.270.

Sec. 6. NRS 645A.041 is hereby amended to read as follows:

645A.041 1. Except as otherwise provided in NRS 645A.042, as a condition to doing business in this State, each escrow agency shall deposit with the Commissioner and keep in full force and effect a corporate surety bond payable to the State of Nevada, in the amount set forth in subsection 4, which is executed by a corporate surety satisfactory to the Commissioner and which names as principals the escrow agency and all escrow agents employed by or associated with the escrow agency.

2. At the time of filing an application for a license as an escrow agent, the applicant shall file with the Commissioner proof that the applicant is named as a principal on the corporate surety bond deposited with the Commissioner by the escrow agency with whom he or she is associated or employed.

3. The bond must be in substantially the following form:

Know All Persons by These Presents, that, as principal, and, as surety, are held and firmly bound unto the State of Nevada for the use and benefit of any person who suffers damages because of a violation of any of the provisions of chapter 645A of NRS, in the sum of, lawful money of the United States, to be paid to the State of Nevada for such use and benefit, for which payment well and truly to be made, and that we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of that obligation is such that: Whereas, the principal has been issued a license as an escrow agency or escrow agent by the Commissioner of Mortgage Lending of the Department of Business and Industry of the State of Nevada and is required to furnish a bond, which is conditioned as set forth in this bond:

Now, therefore, if the principal, his or her agents and employees, strictly, honestly and faithfully comply with the provisions of chapter 645A of NRS, and pay all damages suffered by any person because of a violation of any of the provisions of chapter 645A of NRS, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of chapter 645A of NRS, then this obligation is void; otherwise it remains in full force.

This bond becomes effective on the(day) of(month) of(year), and remains in force until the surety is released from liability by the Commissioner of Mortgage Lending or until this bond is cancelled by the surety. The surety may cancel this bond and be relieved of further liability

hereunder by giving 60 days' written notice to the principal and to the Commissioner of Mortgage Lending of the Department of Business and Industry of the State of Nevada.

In Witness Whereof, the seal and signature of the principal hereto is affixed, and the corporate seal and the name of the surety hereto is affixed and attested by its authorized officers at, Nevada, this(day) of(month) of(year).

.....(Seal)

Principal

.....(Seal)

Surety

By.....

Attorney-in-fact

Nevada Licensed

~~resident agent~~ **Insurance Agent**

4. Each escrow agency shall deposit a corporate surety bond that complies with the provisions of this section or a substitute form of security that complies with the provisions of NRS 645A.042 in the following amount based upon the average monthly balance of the trust account or escrow account maintained by the escrow agency pursuant to NRS 645A.160:

AVERAGE MONTHLY BALANCE AMOUNT OF BOND OR
SECURITY REQUIRED

\$50,000 or less.....\$20,000

More than \$50,000 but not more than \$250,000.....50,000

More than \$250,000 but not more than \$500,000.....100,000

More than \$500,000 but not more than \$750,000.....150,000

More than \$750,000 but not more than \$1,000,000.....200,000

More than \$1,000,000.....250,000

The Commissioner shall determine the appropriate amount of the surety bond or substitute form of security that must be deposited initially by the escrow agency based upon the expected average monthly balance of the trust account or escrow account maintained by the escrow agency pursuant to NRS 645A.160. After the initial deposit, the Commissioner shall, on a semiannual basis, determine the appropriate amount of the surety bond or substitute form of security that must be deposited by the escrow agency based upon the average monthly balance of the trust account or escrow account maintained by the escrow agency pursuant to NRS 645A.160.

5. *A bond used to satisfy the requirements of NRS 627.180 or a substitute for that bond which satisfies the requirements of NRS 627.183 may be used to satisfy the requirements of this section if:*

(a) The amount required by NRS 627.180 for a bond is not less than the amount required by this section for a bond; or

(b) The amount required by NRS 627.180 for a bond is less than the amount required by this section for a bond, and the escrow agency deposits an additional bond in an amount not less than the difference between the amount required by NRS 627.180 and the amount required by this section.

Sec. 7. (Deleted by amendment.)

Sec. 8. NRS 645A.065 is hereby amended to read as follows:

645A.065 1. The Commissioner shall establish by regulation the fees to be paid by ~~[escrow agencies]~~ ***all persons subject to the provisions of this chapter*** for the supervision, ***investigation*** and examination of such ~~[agencies]~~ ***persons*** by the Commissioner or the Division.

2. In establishing the fees, the Commissioner shall consider:

(a) The complexity of the various ***investigations and*** examinations to which the fees apply;

(b) The skill required to conduct such ***investigations and*** examinations;

(c) The expenses associated with conducting such ***investigations and*** examinations and preparing reports; and

(d) Any other factors the Commissioner deems relevant.

3. The Commissioner shall adopt regulations prescribing the standards for determining whether an escrow agency has maintained adequate supervision of an escrow agent pursuant to the provisions of this chapter.

Sec. 9. NRS 645A.085 is hereby amended to read as follows:

645A.085 1. An escrow agency shall immediately notify the Commissioner of any change in the ownership of 5 percent or more of its outstanding voting stock.

2. An application must be submitted to the Commissioner, pursuant to NRS 645A.020, by a person who acquires:

(a) At least 25 percent of the outstanding voting stock of an escrow agency; or

(b) Any outstanding voting stock of an escrow agency if the change will result in a change in the control of the escrow agency.

3. Except as otherwise provided in subsection 5, the Commissioner shall conduct an investigation to determine whether the applicant has the experience, character, financial condition, business reputation and general fitness to command the confidence of the public and to warrant the belief that the business conducted will protect and safeguard the public. If the Commissioner denies the application, the Commissioner may forbid the applicant from participating in the business of the escrow agency.

4. The escrow agency with which the applicant is affiliated shall pay ~~for~~ ***a portion of*** the cost of the investigation as the Commissioner requires. All

money received by the Commissioner pursuant to this section must be deposited in the Fund for Mortgage Lending created by NRS 645F.270.

5. An escrow agency may submit a written request to the Commissioner to waive an investigation pursuant to subsection 3. The Commissioner may grant a waiver if the applicant has undergone a similar investigation by a state or federal agency in connection with the licensing of or his or her employment with a financial institution.

Sec. 10. NRS 645A.090 is hereby amended to read as follows:

645A.090 1. The Commissioner may refuse to license any escrow agent or agency or may suspend, ~~for~~ revoke ***or place conditions upon*** any license or impose a fine ***on any person*** of not more than ~~[\$10,000]~~ ***\$25,000*** for each violation by entering an order to that effect, with the Commissioner's findings in respect thereto, if upon a hearing, it is determined that the applicant, ~~for~~ licensee ~~for~~ ***or person***:

- (a) In the case of an escrow agency, is insolvent;
- (b) Has violated any provision of this chapter, ~~for~~ any regulation adopted pursuant thereto ***or an order of the Commissioner or*** has aided and abetted another to do so;
- (c) In the case of an escrow agency, is in such a financial condition that he or she cannot continue in business with safety to his or her customers;
- (d) Has committed fraud in connection with any transaction governed by this chapter;
- (e) Has intentionally or knowingly made any misrepresentation or false statement to, or concealed any essential or material fact from, any principal or designated agent of a principal in the course of the escrow business;
- (f) Has intentionally or knowingly made or caused to be made to the Commissioner any false representation of a material fact or has suppressed or withheld from the Commissioner any information which the applicant, ~~for~~ licensee ***or person*** possesses;
- (g) Has failed without reasonable cause to furnish to the parties of an escrow their respective statements of the settlement within a reasonable time after the close of escrow;
- (h) Has failed without reasonable cause to deliver, within a reasonable time after the close of escrow, to the respective parties of an escrow transaction any money, documents or other properties held in escrow in violation of the provisions of the escrow instructions;
- (i) Has refused to permit an examination by the Commissioner of his or her books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter;
- (j) Has been convicted of, ***entered or agreed to enter a plea of guilty or nolo contendere to***, a felony relating to the practice of escrow agents or

agencies or any *felony or* misdemeanor of which an essential element is *an act of fraud* ~~or~~, *dishonesty or a breach of trust, moral turpitude or money laundering*;

(k) In the case of an escrow agency, has failed to maintain complete and accurate records of all transactions within the last 6 years;

(l) Has commingled the money of others with his or her own or converted the money of others to his or her own use;

(m) Has failed, before the close of escrow, to obtain written escrow instructions concerning any essential or material fact or intentionally failed to follow the written instructions which have been agreed upon by the parties and accepted by the holder of the escrow;

(n) Has failed to disclose in writing that he or she is acting in the dual capacity of escrow agent or agency and undisclosed principal in any transaction; ~~for~~

(o) In the case of an escrow agency, has:

(1) Failed to maintain adequate supervision of an escrow agent; or

(2) Instructed an escrow agent to commit an act which would be cause for the revocation of the escrow agent's license and the escrow agent committed the act. An escrow agent is not subject to disciplinary action *by the Commissioner* for committing such an act under instruction by the escrow agency ~~or~~;

(p) *In the case of an escrow agency, if the applicant or licensee is a partnership, corporation or unincorporated association, has a member of the partnership or an officer or director of the corporation or unincorporated association who has been convicted of, entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court relating to the practice of escrow agents or agencies, or any felony or misdemeanor of which an essential element is an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering; or*

(q) *In the case of a person who performs the services of a construction control, has failed to comply with the provisions of chapter 627 of NRS.*

2. It is sufficient cause for the imposition of a fine or the refusal, suspension or revocation of , *or the placement of conditions upon*, the license of a partnership, corporation or any other association that any member of the partnership or any officer or director of the corporation or association has been guilty of any act or omission which would be cause for such action had the applicant or licensee been a natural person.

3. The Commissioner may suspend any license for not more than 30 days, pending a hearing, if upon examination into the affairs of the licensee it is determined that any of the grounds enumerated in subsection 1 or 2 exist.

4. The Commissioner may refuse to issue a license to any person who, within 10 years before the date of applying for a current license, has had suspended or revoked a license issued pursuant to this chapter or a comparable license issued by any other state, district or territory of the United States or any foreign country.

5. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 11. NRS 645A.100 is hereby amended to read as follows:

645A.100 1. Notice of the entry of any order of suspension, ~~for~~ revocation or ***placement of conditions upon a license or*** of imposing a fine or refusing a license to any escrow agent or agency must be given in writing, served personally or sent by certified mail or by telegram to the last known address of the agent or agency affected.

2. The agent or agency, upon application, is entitled to a hearing. If an application is not made within 20 days after the entry of the order, the Commissioner shall enter a final order.

Sec. 12. NRS 645A.235 is hereby amended to read as follows:

645A.235 1. ~~{The holder of}~~ ***A person who engages in an activity for which*** a license as an escrow agent or escrow agency ~~{may be}~~ ***is required pursuant to this chapter, without regard to whether such a person is licensed pursuant to this chapter, may be required*** by the Commissioner to pay restitution to any person who has suffered an economic loss as a result of a violation of the provisions of this chapter or any regulation adopted pursuant thereto.

2. Notwithstanding the provision of paragraph (m) of subsection 1 of NRS 622A.120, payment of restitution pursuant to subsection 1 shall be done in a manner consistent with the provisions of chapter 622A of NRS.

Sec. 13. Chapter 645B of NRS is hereby amended by adding thereto the provisions set forth as sections 16 to 40.7, inclusive, of this act.

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. ***“Dwelling” has the meaning ascribed to it in section 103(v) of the federal Truth in Lending Act, 15 U.S.C. § 1602(v).***

Sec. 17. (Deleted by amendment.)

Sec. 17.5. 1. “Loan processor” means a natural person who:

(a) Receives, collects, distributes or analyzes information that is commonly used for the processing of a residential mortgage loan; and

(b) Communicates with a consumer to obtain the information necessary for the activities described in paragraph (a).

2. The communication described in paragraph (b) of subsection 1 does not include communication offering or negotiating loan rates or terms or counseling consumers about residential mortgage loan rates or terms.

Sec. 18. *“Majority of the investors” means the investors holding 51 percent or more of the beneficial interests in a loan.*

Sec. 19. (Deleted by amendment.)

Sec. 20. (Deleted by amendment.)

Sec. 21. *A mortgage broker shall not accept money from an investor to acquire ownership of or a beneficial interest in a loan which has more than one investor at the time of origination unless the mortgage broker provides to each investor a form which allows the investor to choose one of the following options:*

1. That, upon receipt of a written request submitted by another investor who owns or has a beneficial interest in the loan, the mortgage broker may provide to that other investor the name, address, telephone number and electronic mail address of the investor;

2. That, upon receipt of a written request submitted by another investor who owns or has a beneficial interest in the loan, the mortgage broker may provide to that other investor the name, address, telephone number and electronic mail address of the investor only if the loan is in default; or

3. That the address, telephone number and electronic mail address of the investor must remain confidential and that the mortgage broker may not provide that information to any other investor unless the investor provides the mortgage broker with subsequent written permission to provide such information to other investors.

Sec. 22. *1. A mortgage broker who makes or arranges a loan shall not include in any loan document a provision which requires a private investor to participate in binding arbitration of disputes relating to the loan.*

2. The provisions of this section may not be varied by agreement, and the rights conferred by this section may not be waived. Any provision included in a loan document agreement that conflicts with this section is void.

Sec. 23. (Deleted by amendment.)

Sec. 24. *1. Before servicing a loan in which a private investor has acquired a beneficial interest, a mortgage broker must enter into a written servicing agreement with each investor which describes specifically the services which the mortgage broker will provide and the compensation the mortgage broker will receive for those services. The compensation of the mortgage broker must include an amount reasonably necessary to pay the cost of servicing the loan.*

2. A mortgage broker shall include in each servicing agreement provisions which:

(a) Require the mortgage broker to:

(1) Deposit in a trust account all money paid to the mortgage broker in full or partial payment of a loan, unless a provision of law authorizes the mortgage broker to deposit such money in a different manner;

(2) Release to the investors, pursuant to paragraph (a) of subsection 5 of NRS 645B.175, within 15 days after receipt of all money paid to the mortgage broker in full or partial payment of a loan;

(3) Record a request for special notice and notice of default for any encumbrance on the real property which has priority over the lien securing the loan or any other real property securing the loan;

(4) Provide to each investor prompt written notice of:

(I) Any lis pendens, mechanic's lien or other lien recorded against the real property securing the loan after the origination of the loan if the mortgage broker has become aware that such an instrument has been recorded; and

(II) Any delinquent taxes or insurance premiums;

(5) Upon receiving a written request from an investor for a tally of any vote of the investors, provide to the investor a statement of the number of investors voting in favor of an action and the number of investors voting against the action and the percentage of beneficial interest represented by each such vote; and

(6) Respond within a reasonable time under the circumstances to the request of the borrower or investor to correct any errors relating to the loan.

(b) Prohibit the mortgage broker from:

(1) Commingling with the assets of the mortgage broker any money paid to the mortgage broker in full or partial payment of a loan, unless a provision of law authorizes such commingling;

(2) Using money paid to the mortgage broker in full or partial payment of a loan for any transaction other than the servicing transaction for which the money was paid, unless a provision of law authorizes such use ; or

(3) Requiring an investor to participate in binding arbitration of disputes relating to the loan.

(c) Allow the majority of investors or the mortgage broker to transfer the servicing agreement to another entity authorized to service loans or terminate the servicing agreement for any reason, upon providing written notice at least 30 days before the effective date of the transfer or termination.

Sec. 25. *Except as otherwise permitted by law, a mortgage broker shall not release a borrower or guarantor from personal liability for a loan unless a majority of the investors approve such a release.*

Sec. 26. (Deleted by amendment.)

Sec. 27. (Deleted by amendment.)

Sec. 28. (Deleted by amendment.)

Sec. 29. (Deleted by amendment.)

Sec. 30. (Deleted by amendment.)

Sec. 31. (Deleted by amendment.)

Sec. 32. (Deleted by amendment.)

Sec. 33. (Deleted by amendment.)

Sec. 34. 1. *If an investor owes money to the mortgage broker who is servicing a loan or to other investors, the mortgage broker shall not withhold money due the investor in order to offset the money owed to the mortgage broker or to another investor, unless:*

(a) The mortgage broker obtains the written consent of the investor who owes the money; or

(b) A court order requires the mortgage broker to withhold the money.

2. *A mortgage broker may include in a loan servicing agreement a provision which provides written consent to withhold money due an investor in order to offset money owed by the investor to the mortgage broker or other investors.*

Sec. 35. (Deleted by amendment.)

Sec. 36. (Deleted by amendment.)

Sec. 37. *A mortgage broker shall not act as a construction control with respect to money belonging to a borrower or investor. If a borrower or investor wishes to utilize a construction control for money belonging to the borrower or investor, a mortgage broker must place the money with a person who is independent of the mortgage broker and is licensed or authorized to accept such money. The money must be subject to the control of a construction control which is in compliance with, or exempt from, the provisions of NRS 627.180 or 627.183.*

Sec. 38. (Deleted by amendment.)

Sec. 39. (Deleted by amendment.)

Sec. 40. (Deleted by amendment.)

Sec. 40.3. 1. *A mortgage broker shall not place or arrange to place a private investor into a limited-liability company, business trust or other entity before foreclosure of the real property securing the loan unless the mortgage broker:*

(a) Provides a copy of the organizational documents of the limited-liability company, business trust or other entity to each investor not later than 5 days before the investor transfers his or her interest in the loan; and

(b) Obtains the written authorization of each investor who wishes to transfer his or her interest in the loan to the limited-liability company, business trust or other entity.

2. *The documents provided to each investor pursuant to paragraph (a) of subsection 1 must clearly and concisely state any fees which will be paid to the mortgage broker by the limited-liability company, business trust or other entity, and the sections of the documents that state fees must be initialed by the investor.*

3. *A mortgage broker or mortgage agent shall not act as the attorney-in-fact or the agent of a private investor for the signing or dating of the written authorization.*

4. *Any term of a contract or other agreement that attempts to alter or waive the requirements of this section is void.*

Sec. 40.7. 1. *A mortgage broker shall not assess or collect any fee which is not:*

- (a) *Authorized by the loan documents or loan servicing agreement; and*
- (b) *Assessed or collected in exchange for bona fide services rendered or costs incurred.*

2. *A mortgage broker shall apply all fees collected in the manner set forth in the loan documents or loan servicing agreement.*

Sec. 41. NRS 645B.010 is hereby amended to read as follows:

645B.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 645B.0104 to 645B.0135, inclusive, *and sections 14 to 18, inclusive, of this act* have the meanings ascribed to them in those sections.

Sec. 42. NRS 645B.0125 is hereby amended to read as follows:

645B.0125 1. "Mortgage agent" means:

- (a) A natural person who:
 - (1) Is an employee of a mortgage broker or mortgage banker who is required to be licensed pursuant to this chapter or chapter 645E of NRS; and
 - (2) Is authorized by the mortgage broker or mortgage banker to engage in, on behalf of the mortgage broker or mortgage banker, any activity that would require the person, if the person were not an employee of the mortgage broker or mortgage banker, to be licensed as a mortgage broker or mortgage banker pursuant to this chapter or chapter 645E of NRS; ~~{or}~~

(b) A mortgage broker, qualified employee or mortgage banker who is required by NRS 645B.405 or 645E.290 to be licensed as a mortgage agent ~~{or}~~; *or*

(c) *A loan processor who is an independent contractor and who is associated with a mortgage broker, mortgage banker or person who holds a certificate of exemption pursuant to NRS 645B.016.*

2. The term includes , *but is not limited to*, a residential mortgage loan originator.

3. The term does not include a person who:

(a) Except as otherwise provided in paragraph (b) of subsection 1, is licensed as a mortgage broker or mortgage banker;

(b) Is an owner, general partner, officer or director of a mortgage broker or mortgage banker ~~[-]~~ **who does not engage in any activity that would otherwise require a license as a mortgage broker or mortgage banker;**

(c) ~~[-] Performs~~ **Except as otherwise provided in paragraph (c) of subsection 1, performs** only clerical or ministerial tasks for a mortgage broker ~~[-]~~ **or mortgage banker; or**

(d) Collects payments and performs related services, including, without limitation, the modification of an existing loan, in connection with a loan secured by a lien on real property and who does not undertake any other activity that would otherwise require a license pursuant to this chapter or chapter 645E **or 645F** of NRS.

Sec. 43. NRS 645B.0132 is hereby amended to read as follows:

645B.0132 “Residential mortgage loan” means any loan primarily for personal, family or household use that is secured by a mortgage, deed of trust or other equivalent consensual security interest on a dwelling or residential real estate upon which is constructed or intended to be constructed a dwelling. ~~[For purposes of this section, “dwelling” has the meaning ascribed to it section 103(v) of the federal Truth in Lending Act, 15 U.S.C. § 1602(v).]~~

Sec. 44. NRS 645B.015 is hereby amended to read as follows:

645B.015 Except as otherwise provided in NRS 645B.016, ***the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. §§ 5101 et seq., and any regulations adopted pursuant thereto and other applicable law,*** the provisions of this chapter do not apply to:

1. Any person doing business under the laws of this State, any other state or the United States relating to banks, savings banks, trust companies, savings and loan associations, industrial loan companies, credit unions, thrift companies or insurance companies ~~[-]~~ **including, without limitation, a subsidiary or a holding company of such a bank, company, association or union.**

2. A real estate investment trust, as defined in 26 U.S.C. § 856, unless the business conducted in this State is not subject to supervision by the regulatory authority of the other jurisdiction, in which case licensing pursuant to this chapter is required.

3. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is made directly from money in the plan by the plan’s trustee.

4. An attorney at law rendering services in the performance of his or her duties as an attorney at law.

5. A real estate broker rendering services in the performance of his or her duties as a real estate broker.

6. Any person doing any act under an order of any court.

7. Any one natural person, or husband and wife, who provides money for investment in **commercial** loans secured by a lien on real property, on his or her own account, unless such a person makes a loan secured by a lien on real property using his or her own money and assigns all or a part of his or her interest in the loan to another person, other than his or her spouse or child, within ~~{5}~~ 3 years after the date on which the loan is made or the deed of trust is recorded, whichever occurs later.

8. A natural person who only offers or negotiates terms of a residential mortgage loan:

(a) *With or on behalf of an immediate family member of the person; or*

(b) *Secured by a dwelling that served as the person's residence.*

~~{8}~~ 9. Agencies of the United States and of this State and its political subdivisions, including the Public Employees' Retirement System.

~~{9}~~ 10. A seller of real property who offers credit secured by a mortgage of the property sold.

11. A nonprofit agency or organization:

(a) *Which provides self-help housing for a borrower who has provided part of the labor to construct the dwelling securing the borrower's loan;*

(b) *Which does not charge or collect origination fees in connection with the origination of residential mortgage loans;*

(c) *Which only makes residential mortgage loans at an interest rate of 0 percent per annum;*

(d) *Whose volunteers, if any, do not receive compensation for their services in the construction of a dwelling; and*

(e) *Which does not profit from the sale of a dwelling to a borrower.*

12. A housing counseling agency approved by the United States Department of Housing and Urban Development.

Sec. 45. NRS 645B.016 is hereby amended to read as follows:

645B.016 Except as otherwise provided in subsection 2 and NRS 645B.690:

1. A person who claims an exemption from the provisions of this chapter pursuant to subsection 1 of NRS 645B.015 must:

(a) File a written application for a certificate of exemption with the Office of the Commissioner;

(b) Pay the fee required pursuant to NRS 645B.050;

(c) Include with the written application satisfactory proof that the person meets the requirements of subsection 1 of NRS 645B.015; and

(d) Provide evidence to the Commissioner that the person is duly licensed to conduct his or her business, including, if applicable, the right to transact mortgage loans, and such license is in good standing pursuant to the laws of this State, any other state or the United States.

2. The provisions of subsection 1 do not apply to the extent preempted by federal law.

3. The Commissioner may require a person who claims an exemption from the provisions of this chapter pursuant to subsections 2 to ~~10~~ **12**, inclusive, of NRS 645B.015 to:

(a) File a written application for a certificate of exemption with the Office of the Commissioner;

(b) Pay the fee required pursuant to NRS 645B.050; and

(c) Include with the written application satisfactory proof that the person meets the requirements of at least one of those exemptions.

4. A certificate of exemption expires automatically if, at any time, the person who claims the exemption no longer meets the requirements of at least one exemption set forth in the provisions of NRS 645B.015.

5. If a certificate of exemption expires automatically pursuant to this section, the person shall not provide any of the services of a mortgage broker or mortgage agent or otherwise engage in, carry on or hold himself or herself out as engaging in or carrying on the business of a mortgage broker or mortgage agent unless the person applies for and is issued:

(a) A license as a mortgage broker or mortgage agent, as applicable, pursuant to this chapter; or

(b) Another certificate of exemption.

6. The Commissioner may impose upon a person who is required to apply for a certificate of exemption or who holds a certificate of exemption an administrative fine of not more than \$10,000 for each violation that the person commits, if the person:

(a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(b) Has suppressed or withheld from the Commissioner any information which the person possesses and which, if submitted by the person, would have rendered the person ineligible to hold a certificate of exemption; or

(c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner that applies to a person who is required to apply for a certificate of exemption or who holds a certificate of exemption.

7. A person who is exempt from the requirements of this chapter may file a written application for a certificate of exemption with the Office of the Commissioner for the purposes of complying with the requirements of the Registry or enabling a mortgage agent to comply with the requirements of the Registry.

8. The Commissioner may require an applicant or person described in subsection 7 to submit the information or pay the fee directly to the

Division or, if the applicant or person is required to register or voluntarily registers with the Registry, to the Division through the Registry.

9. An application filed pursuant to subsection 7 does not affect the applicability of this chapter to such an applicant or person.

Sec. 46. NRS 645B.020 is hereby amended to read as follows:

645B.020 1. A person who wishes to be licensed as a mortgage broker must file a written application for a license with the Office of the Commissioner and pay the fee required pursuant to NRS 645B.050. ***The Commissioner may require the applicant or person to submit the information or pay the fee directly to the Division or, if the applicant or person is required to register or voluntarily registers with the Registry, to the Division through the Registry.*** An application for a license as a mortgage broker must:

(a) State the name, residence address and business address of the applicant and the location of each principal office and branch office at which the mortgage broker will conduct business within this State ~~{ }~~, ***including, without limitation, any office or other place of business located outside this State from which the mortgage broker will conduct business in this State and any office or other place of business which the applicant maintains as a corporate or home office.***

(b) State the name under which the applicant will conduct business as a mortgage broker.

(c) List the name, residence address and business address of each person who will:

(1) If the applicant is not a natural person, have an interest in the mortgage broker as a principal, partner, officer, director or trustee, specifying the capacity and title of each such person.

(2) Be associated with or employed by the mortgage broker as a mortgage agent.

(d) Include a general business plan and a description of the policies and procedures that the mortgage broker and his or her mortgage agents will follow to arrange and service loans and to conduct business pursuant to this chapter.

(e) State the length of time the applicant has been engaged in the business of a ***mortgage*** broker.

(f) Include a financial statement of the applicant and, if applicable, satisfactory proof that the applicant will be able to maintain continuously the net worth required pursuant to NRS 645B.115.

(g) Include all information required to complete the application.

(h) ***Unless fingerprints were submitted to the Registry for the person, include a complete set of fingerprints for each natural person who is a principal, partner, officer, director or trustee of the applicant which the***

Division may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

(i) Include any other information required pursuant to the regulations adopted by the Commissioner or an order of the Commissioner.

2. If a mortgage broker will conduct business ***in this State*** at one or more branch offices, ~~[within this State,]~~ the mortgage broker must apply for a license for each such branch office.

3. Except as otherwise provided ~~[in this chapter,]~~ ***by law***, the Commissioner shall issue a license to an applicant as a mortgage broker if:

(a) The application is verified by the Commissioner and complies with the requirements of this chapter; and

(b) The applicant and each general partner, officer or director of the applicant, if the applicant is a partnership, corporation or unincorporated association:

(1) Has demonstrated financial responsibility, character and general fitness so as to command the confidence of the community and warrant a determination that the applicant will operate honestly, fairly and efficiently for the purposes of this chapter.

(2) Has not been convicted of, or entered ***or agreed to enter*** a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, ***moral turpitude*** or money laundering.

(3) Has not made a false statement of material fact on the application.

(4) Has never had a license or registration as a mortgage agent, mortgage banker, mortgage broker or residential mortgage loan originator revoked in this State or any other jurisdiction or had a financial services license ~~[suspended or]~~ revoked within the immediately preceding 10 years.

(5) Has not violated any provision of this chapter or chapter 645E of NRS, a regulation adopted pursuant thereto or an order of the Commissioner.

4. A person may apply for a license for an office or other place of business located outside this State from which the applicant will conduct business in this State if the applicant has a license issued pursuant to this chapter for an office or other place of business located in this State, and the applicant submits with the application for a license a statement signed by the applicant which states that the applicant agrees to:

(a) ***Make available at a location within this State the books, accounts, papers, records and files of the office or place of business located outside this State to the Commissioner or a representative of the Commissioner; or***

(b) ***Pay the reasonable expenses for travel, meals and lodging of the Commissioner or a representative of the Commissioner incurred during***

any investigation or examination made at the office or place of business located outside this State.

↪ The applicant must be allowed to choose between paragraph (a) or (b) in complying with the provisions of this subsection.

Sec. 47. NRS 645B.042 is hereby amended to read as follows:

645B.042 1. ~~[Except as otherwise provided in NRS 645B.044, as]~~ As a condition to doing business in this State, each mortgage broker shall deposit with the Commissioner and keep in full force and effect a corporate surety bond payable to the State of Nevada, in the amount set forth in subsection 4, which is executed by a corporate surety satisfactory to the Commissioner and which names as principals the mortgage broker and all mortgage agents employed by or associated with the mortgage broker.

2. At the time of filing an application for a license as a mortgage agent and at the time of filing an application for the renewal of a license as a mortgage agent, the applicant shall file with the Commissioner proof that the applicant is named as a principal on the corporate surety bond deposited with the Commissioner by the mortgage broker with whom the applicant is associated or employed.

3. The bond must be in substantially the following form:

Know All Persons by These Presents, that, as principal, and, as surety, are held and firmly bound unto the State of Nevada for the use and benefit of any person who suffers damages because of a violation of any of the provisions of chapter 645B of NRS, in the sum of, lawful money of the United States, to be paid to the State of Nevada for such use and benefit, for which payment well and truly to be made, and that we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of that obligation is such that: Whereas, the principal has been issued a license as a mortgage broker or mortgage agent by the Commissioner of Mortgage Lending and is required to furnish a bond, which is conditioned as set forth in this bond:

Now, therefore, if the principal, his or her agents and employees, strictly, honestly and faithfully comply with the provisions of chapter 645B of NRS, and pay all damages suffered by any person because of a violation of any of the provisions of chapter 645B of NRS, or by reason of any fraud, dishonesty, misrepresentation or concealment of material facts growing out of any transaction governed by the provisions of chapter 645B of NRS, then this obligation is void; otherwise it remains in full force.

This bond becomes effective on the (day) of (month) of (year), and remains in force until the surety is released from liability by the Commissioner of Mortgage Lending or until this bond is cancelled by the surety. The surety may cancel this bond and be relieved of further

liability hereunder by giving 60 days' written notice to the principal and to the Commissioner of Mortgage Lending.

In Witness Whereof, the seal and signature of the principal hereto is affixed, and the corporate seal and the name of the surety hereto is affixed and attested by its authorized officers at, Nevada, this (day) of (month) of (year).

.....(Seal)

Principal

.....(Seal)

Surety

By.....

Attorney-in-fact

Nevada Licensed

~~resident agent~~ **Insurance Agent**

4. Each mortgage broker shall deposit a corporate surety bond that complies with the provisions of this section ~~for a substitute form of security that complies with the provisions of NRS 645B.044~~ in the following amounts:

(a) For ~~the principal office,~~ **an annual loan production of \$20,000,000 or less, \$50,000.**

(b) For ~~each branch office, \$25,000.~~

➔ ~~The total amount required for the corporate surety bond may not exceed \$75,000, without regard to the number of branch offices, if any.~~ **an annual loan production of more than \$20,000,000, \$75,000.**

5. *Except as otherwise required by federal law or regulation, for the purposes of subsection 4, the Commissioner shall determine the appropriate amount of the surety bond that must be deposited initially by a mortgage broker based upon the expected annual loan production amount and shall determine the appropriate amount of the surety bond annually based upon the actual annual loan production.*

Sec. 48. NRS 645B.046 is hereby amended to read as follows:

645B.046 1. The surety may cancel a bond upon giving 60 days' notice to the Commissioner by certified mail. Upon receipt by the Commissioner of such a notice, the Commissioner immediately shall notify the licensee who is the principal on the bond of the effective date of cancellation of the bond, and that his or her license will be revoked unless the licensee furnishes an equivalent bond ~~for a substitute form of security authorized by NRS 645B.044~~ before the effective date of the cancellation. The notice must be sent to the licensee by certified mail to his or her last address of record filed in the office of the Division.

2. If the licensee does not comply with the requirements set out in the notice from the Commissioner, the license must be revoked on the date the bond is cancelled.

Sec. 49. (Deleted by amendment.)

Sec. 50. NRS 645B.050 is hereby amended to read as follows:

645B.050 1. A license as a mortgage broker issued pursuant to this chapter expires each year on ~~June 30,~~ **December 31**, unless it is renewed. To renew such a license, the licensee must submit to the Commissioner ***on or after November 1 and*** on or before ~~May 31~~ **December 31** of each year ~~{-}~~, ***or on a date otherwise specified by the Commissioner by regulation:***

- (a) An application for renewal;
- (b) The fee required to renew the license pursuant to this section;
- (c) The information required pursuant to NRS 645B.051; and
- (d) All information required ***by the Commissioner or, if applicable, required by the Registry*** to complete the renewal.

2. If the licensee fails to submit any item required pursuant to subsection 1 to the Commissioner ***on or after November 1 and*** on or before ~~May 31~~ **December 31** of any year, ***unless a different date is specified by the Commissioner by regulation***, the license is cancelled as of ~~June 30~~ **December 31** of that year. The Commissioner may reinstate a cancelled license if the licensee submits to the Commissioner ~~{-}~~ ***on or before February 28 of the following year:***

- (a) An application for renewal;
- (b) The fee required to renew the license pursuant to this section;
- (c) The information required pursuant to NRS 645B.051;
- (d) Except as otherwise provided in this section, a reinstatement fee of not more than \$200; and
- (e) All information required to complete the reinstatement.

3. Except as otherwise provided in NRS 645B.016, a certificate of exemption issued pursuant to this chapter expires each year on December 31, unless it is renewed. To renew a certificate of exemption, a person must submit to the Commissioner ***on or after November 1 and*** on or before ~~November 30~~ **December 31** of each year ~~{-}~~ ***or on a date otherwise specified by the Commissioner by regulation:***

- (a) An application for renewal that includes satisfactory proof that the person meets the requirements for an exemption from the provisions of this chapter; and
- (b) The fee required to renew the certificate of exemption.

4. If the person fails to submit any item required pursuant to subsection 3 to the Commissioner ***on or after November 1 and*** on or before ~~November 30~~ **December 31** of any year, ***unless a different date is specified by the Commissioner by regulation***, the certificate of exemption is cancelled as of

December 31 of that year. Except as otherwise provided in NRS 645B.016, the Commissioner may reinstate a cancelled certificate of exemption if the person submits to the Commissioner ~~[-]~~ *on or before February 28 of the following year:*

(a) An application for renewal that includes satisfactory proof that the person meets the requirements for an exemption from the provisions of this chapter;

(b) The fee required to renew the certificate of exemption; and

(c) Except as otherwise provided in this section, a reinstatement fee of not more than \$100.

5. Except as otherwise provided in this section, a person must pay the following fees to apply for, to be issued or to renew a license as a mortgage broker pursuant to this chapter:

(a) To file an original application for a license, not more than \$1,500 for the principal office and not more than \$40 for each branch office. The person must also pay such additional expenses incurred in the process of investigation as the Commissioner deems necessary.

(b) To be issued a license, not more than \$1,000 for the principal office and not more than \$60 for each branch office.

(c) To renew a license, not more than \$500 for the principal office and not more than \$100 for each branch office.

6. Except as otherwise provided in this section, a person must pay the following fees to apply for or to renew a certificate of exemption pursuant to this chapter:

(a) To file an application for a certificate of exemption, not more than \$200.

(b) To renew a certificate of exemption, not more than \$100.

7. To be issued a duplicate copy of any license or certificate of exemption, a person must make a satisfactory showing of its loss and pay a fee of not more than \$10.

8. Except as otherwise provided in this chapter, all fees received pursuant to this chapter are in addition to any fee required to be paid to the Registry and must be deposited in the Fund for Mortgage Lending created by NRS 645F.270.

9. The Commissioner may, by regulation, adjust any fee or date set forth in this section if the Commissioner determines that such an adjustment is necessary for the Commissioner to carry out his or her duties pursuant to this chapter. The amount of any adjustment in a fee pursuant to this subsection must not exceed the amount determined to be necessary for the Commissioner to carry out his or her duties pursuant to this chapter.

10. *The Commissioner may require a licensee to submit an item or pay a fee required by this section directly to the Commissioner or, if the*

licensee is required to register or voluntarily registers with the Registry, to the Commissioner through the Registry.

Sec. 51. NRS 645B.080 is hereby amended to read as follows:

645B.080 1. Each mortgage broker shall keep and maintain at all times at each location where the mortgage broker conducts business in this state complete and suitable records of all mortgage transactions made by the mortgage broker at that location. Each mortgage broker shall also keep and maintain at all times at each such location all original books, papers and data, or copies thereof, clearly reflecting the financial condition of the business of the mortgage broker.

2. Each mortgage broker shall submit to the Commissioner each month a report of the mortgage broker's activity for the previous month. The report must:

(a) Specify the volume of loans arranged by the mortgage broker for the month or state that no loans were arranged in that month;

(b) Include any information required pursuant to NRS 645B.260 or pursuant to the regulations adopted by the Commissioner; and

(c) Be submitted to the Commissioner by the 15th day of the month following the month for which the report is made.

3. The Commissioner may adopt regulations prescribing accounting procedures for mortgage brokers handling trust accounts and the requirements for keeping records relating to such accounts.

4. *Each mortgage broker who is required to register or voluntarily registers with the Registry shall submit to the Registry and the Commissioner a report of condition or any other report required by the Registry in the form and at the time required by the Registry.*

Sec. 52. NRS 645B.085 is hereby amended to read as follows:

645B.085 1. Except as otherwise provided in this section, not later than ~~120~~ **90** days after the last day of each fiscal year for a mortgage broker, the mortgage broker shall submit to the Commissioner a financial statement that:

(a) Is dated not earlier than the last day of the fiscal year; and

(b) Has been prepared from the books and records of the mortgage broker by an independent *certified* public accountant who holds a ~~permit~~ *license* to ~~engage in the~~ practice ~~of public accounting~~ in this State *or in any other state* that has not been revoked or suspended.

2. ~~The~~ **Unless otherwise prohibited by the Registry, the** Commissioner may grant a reasonable extension for the submission of a financial statement pursuant to this section if a mortgage broker requests such an extension before the date on which the financial statement is due.

3. If a mortgage broker maintains any accounts described in subsection 1 of NRS 645B.175, the financial statement submitted pursuant to this section must be audited. If a mortgage broker maintains any accounts described in

subsection **1 or** 4 of NRS 645B.175, those accounts must be audited. ~~[The public accountant who prepares the report of an audit shall submit a copy of the report to the Commissioner at the same time that the public accountant submits the report to the mortgage broker.]~~

4. The Commissioner shall adopt regulations prescribing the scope of an audit conducted pursuant to subsection 3.

Sec. 53. NRS 645B.092 is hereby amended to read as follows:

645B.092 1. Except as otherwise provided in this section and NRS 239.0115, a complaint filed with the Commissioner, all documents and other information filed with the complaint and all documents and other information compiled as a result of an investigation conducted to determine whether to initiate disciplinary action are confidential.

2. The complaint or other document filed by the Commissioner to initiate disciplinary action and all documents and information considered by the Commissioner when determining whether to impose discipline are public records.

3. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

4. *The Commissioner may disclose any document or information made confidential under subsection 1 to the party against whom the complaint is made, a licensing board or agency, the Registry or any other governmental agency, including, without limitation, a law enforcement agency.*

Sec. 54. NRS 645B.095 is hereby amended to read as follows:

645B.095 1. As used in this section, “change of control” means:

(a) A transfer of voting stock which results in giving a person, directly or indirectly, the power to direct the management and policy of a mortgage broker; or

(b) A transfer of at least 25 percent of the outstanding voting stock of a mortgage broker.

2. The Commissioner must be notified ***in writing*** of a transfer of ~~[5] 10~~ percent or more of the outstanding voting stock of a mortgage broker ***at least 15 days before such a transfer*** and must approve a transfer of voting stock of a mortgage broker which constitutes a change of control.

3. The person who acquires stock resulting in a change of control of the mortgage broker shall apply to the Commissioner for approval of the transfer. The application must contain information which shows that the requirements of this chapter ***and the Registry, if applicable***, for obtaining a license will be satisfied after the change of control. Except as otherwise provided in subsection 4, the Commissioner shall conduct an investigation to determine whether those requirements will be satisfied. If, after the investigation, the Commissioner denies the application, the Commissioner may forbid the applicant from participating in the business of the mortgage broker.

4. A mortgage broker may submit a written request to the Commissioner to waive an investigation pursuant to subsection 3. The Commissioner may grant a waiver if the applicant has undergone a similar investigation by a state or federal agency in connection with the licensing of or his or her employment with a financial institution.

Sec. 55. NRS 645B.165 is hereby amended to read as follows:

645B.165 1. Except as otherwise *permitted by law and as otherwise* provided in subsection 3, the amount of any advance fee, salary, deposit or money paid to a mortgage broker and his or her mortgage agents or any other person to obtain a loan which will be secured by a lien on real property must be placed in escrow pending completion of the loan or a commitment for the loan.

2. The amount held in escrow pursuant to subsection 1 must be released:

(a) Upon completion of the loan or commitment for the loan, to the mortgage broker or other person to whom the advance fee, salary, deposit or money was paid.

(b) If the loan or commitment for the loan fails, to the person who made the payment.

3. Advance payments to cover reasonably estimated costs paid to third persons are excluded from the provisions of subsections 1 and 2 if the person making them first signs a written agreement which specifies the estimated costs by item and the estimated aggregate cost, and which recites that money advanced for costs will not be refunded. If an itemized service is not performed and the estimated cost thereof is not refunded, the recipient of the advance payment is subject to the penalties provided in NRS 645B.960.

Sec. 56. NRS 645B.170 is hereby amended to read as follows:

645B.170 1. All money paid to a mortgage broker and his or her mortgage agents for payment of taxes or insurance premiums on real property which secures any loan arranged by the mortgage broker must be deposited in an insured depository financial institution and kept separate, distinct and apart from money belonging to the mortgage broker. Such money, when deposited, is to be designated as an "impound trust account" or under some other appropriate name indicating that the accounts are not the money of the mortgage broker.

2. The mortgage broker has a fiduciary duty to each debtor with respect to the money in an impound trust account.

3. The mortgage broker shall, upon reasonable notice, account to any debtor whose real property secures a loan arranged by the mortgage broker for any money which that person has paid to the mortgage broker for the payment of taxes or insurance premiums on the real property.

4. The mortgage broker shall, upon reasonable notice, account to the Commissioner for all money in an impound trust account.

5. A mortgage broker shall:

(a) Require contributions to an impound trust account in an amount reasonably necessary to pay the obligations as they become due.

(b) *Undertake an annual review of an impound trust account.*

(c) Within 30 days after the completion of the annual review of an impound trust account, notify the debtor:

(1) Of the amount by which the contributions exceed the amount reasonably necessary to pay the annual obligations due from the account; and

(2) That the debtor may specify the disposition of the excess money within 20 days after receipt of the notice. If the debtor fails to specify such a disposition within that time, the mortgage broker shall maintain the excess money in the account.

☞ This subsection does not prohibit a mortgage broker from requiring additional amounts to be paid into an impound trust account to recover a deficiency that exists in the account.

6. A mortgage broker shall not make payments from an impound trust account in a manner that causes a policy of insurance to be cancelled or causes property taxes or similar payments to become delinquent.

Sec. 57. NRS 645B.186 is hereby amended to read as follows:

645B.186 1. If a licensee or a relative of the licensee is licensed as, conducts business as or holds a controlling interest or position in:

(a) A construction control;

(b) An escrow agency or escrow agent; or

(c) A title agent, a title insurer or an escrow officer of a title agent or title insurer,

☞ the licensee shall fully disclose his or her status as, connection to or relationship with the construction control, escrow agency, escrow agent, title agent, title insurer or escrow officer to each investor, and the licensee shall not require, as a condition to an investor acquiring ownership of or a beneficial interest in a loan secured by a lien on real property, that the investor transact business with or use the services of the construction control, escrow agency, escrow agent, title agent, title insurer or escrow officer or that the investor authorize the licensee to transact business with or use the services of the construction control, escrow agency, escrow agent, title agent, title insurer or escrow officer on behalf of the investor.

2. For the purposes of this section, a person shall be deemed to hold a controlling interest or position if the person:

(a) Owns or controls a majority of the voting stock or holds any other controlling interest, directly or indirectly, that gives the person the power to direct management or determine policy; or

(b) Is a partner, officer, director or trustee.

3. As used in this section, “licensee” means:

(a) A person who is licensed as a mortgage broker *or mortgage agent* pursuant to this chapter; and

(b) Any general partner, officer or director of such a person.

Sec. 58. NRS 645B.305 is hereby amended to read as follows:

645B.305 A mortgage broker shall ensure that each loan secured by a lien on real property for which he or she engages in activity as a mortgage broker ~~[-~~

~~1. — Includes]~~ *includes* a disclosure:

~~[(a)]~~ 1. Describing, in a specific dollar amount, all fees earned by the mortgage broker;

~~[(b)]~~ 2. Explaining which party is responsible for the payment of the fees described in ~~[(paragraph (a));]~~ *subsection 1*; and

~~[(c)]~~ 3. Explaining the probable impact the fees described in ~~[(paragraph (a))]~~ *subsection 1* may have on the terms of the loan, including, without limitation, the interest rates.

~~[(2. — If a private investor has acquired a beneficial interest in the loan, includes a fee for servicing the loan which must be specified in the loan. The fee must be in an amount reasonably necessary to pay the cost of servicing the loan.)]~~

Sec. 59. NRS 645B.307 is hereby amended to read as follows:

645B.307 A mortgage broker shall ensure that each loan secured by a lien on real property for which he or she engages in activity as a mortgage broker includes ~~[(the)]~~ :

1. *If the mortgage broker is not registered with the Registry, the* license number of the mortgage broker ~~[()]~~ ; *or*

2. *Any identifying number issued by the Registry.*

Sec. 60. NRS 645B.400 is hereby amended to read as follows:

645B.400 A person shall not act as or provide any of the services of a mortgage agent or otherwise engage in, carry on or hold himself or herself out as engaging in or carrying on the activities of a mortgage agent unless the person ~~[(has)]~~ :

1. *Has* a license as a mortgage agent issued pursuant to NRS 645B.410.

2. *Is an employee of or associated with a mortgage broker or mortgage banker.*

3. *If the person is required to register with the Registry, is registered with and provides any identifying number issued by the Registry.*

Sec. 61. NRS 645B.410 is hereby amended to read as follows:

645B.410 1. To obtain a license as a mortgage agent, a person must:

(a) Be a natural person;

(b) File a written application for a license as a mortgage agent with the Office of the Commissioner;

(c) Comply with the applicable requirements of this chapter; ~~[(and)]~~

(d) Pay an application fee set by the Commissioner of not more than \$185 ~~[-]~~; and

(e) *Be:*

(1) *Employed by, or have received an offer of employment from, a mortgage broker;*

(2) *Employed by, or have received an offer of employment from, a mortgage banker;*

(3) *Associated with or employed by, or have received an offer of a contract with or an offer of employment from, a person who holds a certificate of exemption pursuant to NRS 645B.016; or*

(4) *A loan processor who is not an employee and who is associated with, or has received an offer of a contract with, a mortgage broker, mortgage banker or person who holds a certificate of exemption pursuant to NRS 645B.016.*

2. An application for a license as a mortgage agent must:

(a) State the name and residence address of the applicant;

(b) Include a provision by which the applicant gives written consent to *the Division and, if applicable, the Registry* for an investigation of his or her credit history, criminal history and background;

(c) ~~Include~~ *Unless fingerprints were submitted to the Registry, include* a complete set of fingerprints which the Division may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(d) ~~If not licensed as a mortgage broker or mortgage banker pursuant to this chapter or chapter 645E of NRS, include~~ *Include* a verified statement from the mortgage broker, ~~or~~ mortgage banker *or person who holds a certificate of exemption pursuant to NRS 645B.016* with whom the applicant will be associated *or employed* that expresses the intent of that mortgage broker, ~~or~~ mortgage banker *or exempt person to employ or* associate the applicant with the mortgage broker, ~~or~~ mortgage banker *or exempt person* and to be responsible for the activities of the applicant as a mortgage agent; and

(e) Include any other information or supporting materials required pursuant to the regulations adopted by the Commissioner, ~~or~~ by an order of the Commissioner ~~[-]~~ *or, if applicable, by the Registry*. Such information or supporting materials may include, without limitation, other forms of identification of the person.

3. Except as otherwise provided ~~in this chapter,~~ *by law*, the Commissioner shall issue a license as a mortgage agent to an applicant if:

(a) The application is verified by the Commissioner and complies with the applicable requirements of this chapter ~~[-]~~, *other applicable law and, if applicable, the Registry*; and

(b) The applicant:

(1) Has not been convicted of, or entered *or agreed to enter* a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, ~~for~~ money laundering ~~or~~ *or moral turpitude*;

(2) Has never had a license or registration as a mortgage agent, mortgage banker, mortgage broker or residential mortgage loan originator revoked in this State or any other jurisdiction, or had a financial services license ~~suspended or~~ revoked within the immediately preceding 10 years;

(3) Has not made a false statement of material fact on his or her application;

(4) Has not violated any provision of this chapter or chapter 645E of NRS, a regulation adopted pursuant thereto or an order of the Commissioner; and

(5) Has demonstrated financial responsibility, character and general fitness so as to command the confidence of the community and warrant a determination that the applicant will operate honestly, fairly and efficiently for the purposes of this chapter.

4. Money received by the Commissioner pursuant to this section is in addition to any fee required to be paid to the Registry and must be deposited in the Fund for Mortgage Lending created by NRS 645F.270.

5. *The Commissioner may require the submission of an item or the payment of a fee required by this section directly to the Commissioner or, if the person submitting the item or fee is required to register or voluntarily registers with the Registry, to the Commissioner through the Registry.*

Sec. 62. NRS 645B.430 is hereby amended to read as follows:

645B.430 1. A license as a mortgage agent issued pursuant to NRS 645B.410 expires ~~[1 year after the date the license is issued,]~~ ***each year on December 31***, unless it is renewed. To renew a license as a mortgage agent, the holder of the license must ***continue to meet the requirements of subsection 3 of NRS 645B.410 and must*** submit to the Commissioner ~~[each year,]~~ ***on or after November 1 and on or before [the date the license expires,]*** ***December 31 of each year, or on a date otherwise specified by the Commissioner by regulation:***

(a) An application for renewal;

(b) Except as otherwise provided in this section, satisfactory proof that the holder of the license as a mortgage agent attended at least 10 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires; and

(c) A renewal fee set by the Commissioner of not more than \$170.

2. If the holder of the license as a mortgage agent fails to submit any item required pursuant to subsection 1 to the Commissioner ~~[each year]~~ **on or after November 1 and** on or before ~~[the date the license expires,]~~ **December 31 of any year, unless a different date is specified by the Commissioner by regulation,** the license is cancelled ~~[.]~~ **as of December 31 of that year.** The Commissioner may reinstate a cancelled license if the holder of the license submits to the Commissioner ~~[.]~~ **on or before February 28 of the following year:**

- (a) An application for renewal;
- (b) The fee required to renew the license pursuant to this section; and
- (c) A reinstatement fee of \$75.

3. ~~[To be issued a duplicate copy of a license as a mortgage agent, a person must make a satisfactory showing of its loss and pay a fee of \$10.]~~

~~4.]~~ To change the mortgage broker with whom the mortgage agent is associated, a person must pay a fee of \$10.

~~[5.]~~ **4.** Money received by the Commissioner pursuant to this section is in addition to any fee that must be paid to the Registry and must be deposited in the Fund for Mortgage Lending created by NRS 645F.270.

~~[6.—The Commissioner may provide by regulation that any hours of a certified course of continuing education attended during a 12-month period, but not needed to satisfy a requirement set forth in this section for the 12-month period in which the hours were taken, may be used to satisfy a requirement set forth in this section for a later 12-month period.]~~

~~7.]~~ **5.** *The Commissioner may require a licensee to submit an item or pay a fee required by this section directly to the Division or, if the licensee is required to register or voluntarily registers with the Registry, to the Division through the Registry.*

6. As used in this section, “certified course of continuing education” has the meaning ascribed to it in NRS 645B.051.

Sec. 63. NRS 645B.450 is hereby amended to read as follows:

645B.450 1. A person licensed as a mortgage agent pursuant to the provisions of NRS 645B.410 may not be associated with or employed by more than one *licensed or registered mortgage broker or mortgage banker or person who holds a certificate of exemption pursuant to NRS 645B.016* at the same time.

2. A mortgage broker , *mortgage banker or person who holds a certificate of exemption pursuant to NRS 645B.016* shall not associate with or employ a person as a mortgage agent or authorize a person to be associated with the mortgage broker , *mortgage banker or exempt person* as a mortgage agent if the mortgage agent is not licensed with the Division pursuant to NRS 645B.410. *Before allowing a mortgage agent to act on its*

behalf, a mortgage broker, mortgage banker or person who holds a certificate of exemption pursuant to NRS 645B.016 must:

(a) Enter its sponsorship of the mortgage agent with the Registry; or

(b) If the mortgage agent is not required to be registered with the Registry, notify the Division of its sponsorship of the mortgage agent.

3. If a mortgage agent terminates his or her association or employment with a mortgage broker, *mortgage banker or person who holds a certificate of exemption pursuant to NRS 645B.016* for any reason, the mortgage broker, *mortgage banker or exempt person* shall, not later than the third business day following the date of termination:

(a) ~~Deliver~~ *Remove its sponsorship of the mortgage agent from the Registry; or*

(b) If the mortgage agent is not required to be registered with the Registry, deliver to the Division and to the mortgage agent for send by certified mail to at the last known residence address of the mortgage agent a written statement which ~~advises the mortgage agent that the termination is being reported to the Division; and~~

~~(b) Deliver or send by certified mail to the Division:~~

~~(1) The license or license number of the mortgage agent;~~

~~(2) A written statement of the circumstances surrounding the termination; and~~

~~(3) A copy of the written statement that the mortgage broker delivers or mails to the mortgage agent pursuant to paragraph (a).]~~ *includes the name, address and license number of the mortgage agent and a statement of the circumstances of the termination.*

Sec. 64. NRS 645B.490 is hereby amended to read as follows:

645B.490 *Except as otherwise required by the Registry for persons who are required to register or voluntarily register with the Registry:*

1. Any mortgage broker or mortgage agent licensed under the provisions of this chapter who is called into military service of the United States shall, at his or her request, be relieved from compliance with the provisions of this chapter and placed on inactive status for the period of such military service and for a period of 6 months after discharge therefrom.

2. At any time within 6 months after termination of such service, if the mortgage broker or mortgage agent complies with the provisions of subsection 1, the mortgage broker or mortgage agent may be reinstated, without having to meet any qualification or requirement other than the payment of the reinstatement fee, as provided in NRS 645B.050 or 645B.430, and the mortgage broker or mortgage agent is not required to make payment of the renewal fee for the current year.

3. Any mortgage broker or mortgage agent seeking to qualify for reinstatement, as provided in subsections 1 and 2, must present a certified

copy of his or her honorable discharge or certificate of satisfactory service to the Commissioner.

Sec. 65. NRS 645B.600 is hereby amended to read as follows:

645B.600 1. A person may file with the Commissioner a complaint alleging that another person has violated a provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner.

2. A complaint filed pursuant to this section must:

- (a) Be in writing;
- (b) Be signed by the person filing the complaint or the ~~authorized representative~~ **designee** of the person filing the complaint;
- (c) Contain an address and a telephone number for the person filing the complaint or the ~~authorized representative~~ **designee** of the person filing the complaint;
- (d) Describe the nature of the alleged violation in as much detail as possible;
- (e) Include as exhibits copies of all documentation supporting the complaint; and
- (f) Include any other information or supporting materials required by the regulations adopted by the Commissioner or by an order of the Commissioner.

Sec. 66. NRS 645B.670 is hereby amended to read as follows:

645B.670 Except as otherwise provided in NRS 645B.690:

1. For each violation committed by an applicant for a license issued pursuant to this chapter, whether or not the applicant is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than \$25,000 if the applicant:

- (a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;
- (b) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by the applicant, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or
- (c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his or her application for a license or during the course of the investigation of his or her application for a license.

2. For each violation committed by a mortgage broker, the Commissioner may impose upon the mortgage broker an administrative fine of not more than \$25,000, may suspend, revoke or place conditions upon the mortgage broker's license, or may do both, if the mortgage broker, whether or not acting as such:

- (a) Is insolvent;

(b) Is grossly negligent or incompetent in performing any act for which the mortgage broker is required to be licensed pursuant to the provisions of this chapter;

(c) Does not conduct his or her business in accordance with law or has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(d) Is in such financial condition that the mortgage broker cannot continue in business with safety to his or her customers;

(e) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(f) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the mortgage broker knew or, by the exercise of reasonable diligence, should have known;

(g) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage broker possesses and which, if submitted by the mortgage broker, would have rendered the mortgage broker ineligible to be licensed pursuant to the provisions of this chapter;

(h) Has failed to account to persons interested for all money received for a trust account;

(i) Has refused to permit an examination by the Commissioner of his or her books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter or a regulation adopted pursuant to this chapter;

(j) Has been convicted of, or entered *or agreed to enter* a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, *moral turpitude* or money laundering.

(k) Has refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses that the mortgage broker is required to pay pursuant to this chapter or a regulation adopted pursuant to this chapter;

(l) Has failed to satisfy a claim made by a client which has been reduced to judgment;

(m) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(n) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use;

(o) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(p) Has repeatedly violated the policies and procedures of the mortgage broker;

(q) Has failed to exercise reasonable supervision over the activities of a mortgage agent as required by NRS 645B.460;

(r) Has instructed a mortgage agent to commit an act that would be cause for the revocation of the license of the mortgage broker, whether or not the mortgage agent commits the act;

(s) Has employed a person as a mortgage agent or authorized a person to be associated with the mortgage broker as a mortgage agent at a time when the mortgage broker knew or, in light of all the surrounding facts and circumstances, reasonably should have known that the person:

(1) Had been convicted of, or entered *or agreed to enter* a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, *moral turpitude* or money laundering; or

(2) Had a license or registration as a mortgage agent, mortgage banker, mortgage broker or residential mortgage loan originator revoked in this State or any other jurisdiction or had a financial services license or registration ~~[suspended or]~~ revoked within the immediately preceding 10 years;

(t) Has violated NRS 645C.557; *or*

(u) Has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS. ~~}; or~~

~~(v) Has not conducted verifiable business as a mortgage broker for 12 consecutive months, except in the case of a new applicant. The Commissioner shall determine whether a mortgage broker is conducting business by examining the monthly reports of activity submitted by the mortgage broker or by conducting an examination of the mortgage broker.]~~

3. For each violation committed by a mortgage agent, the Commissioner may impose upon the mortgage agent an administrative fine of not more than \$25,000, may suspend, revoke or place conditions upon the mortgage agent's license, or may do both, if the mortgage agent, whether or not acting as such:

(a) Is grossly negligent or incompetent in performing any act for which the mortgage agent is required to be licensed pursuant to the provisions of this chapter;

(b) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(c) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of

this chapter which the mortgage agent knew or, by the exercise of reasonable diligence, should have known;

(d) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage agent possesses and which, if submitted by the mortgage agent, would have rendered the mortgage agent ineligible to be licensed pursuant to the provisions of this chapter;

(e) Has been convicted of, or entered *or agreed to enter* a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, *moral turpitude* or money laundering.

(f) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(g) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use;

(h) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(i) Has violated NRS 645C.557;

(j) Has repeatedly violated the policies and procedures of the mortgage broker with whom the mortgage agent is associated or by whom he or she is employed; or

(k) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner or has assisted or offered to assist another person to commit such a violation.

Sec. 67. NRS 645B.690 is hereby amended to read as follows:

645B.690 1. If a person offers or provides any of the services of a mortgage broker or mortgage agent or otherwise engages in, carries on or holds himself or herself out as engaging in or carrying on the business of a mortgage broker or mortgage agent and, at the time:

(a) The person was required to have a license pursuant to this chapter and the person did not have such a license; ~~{or}~~

(b) *The person was required to be registered with the Registry and the person was not so registered; or*

(c) The person's license was suspended or revoked pursuant to this chapter,

↪ the Commissioner shall impose upon the person an administrative fine of not more than \$50,000 for each violation and, if the person has a license, the Commissioner may suspend or revoke it.

2. If a mortgage broker violates any provision of subsection 1 of NRS 645B.080 and the mortgage broker fails, without reasonable cause, to remedy the violation within 20 business days after being ordered by the Commissioner to do so or within such later time as prescribed by the Commissioner, or if the Commissioner orders a mortgage broker to provide information, make a report or permit an examination of his or her books or affairs pursuant to this chapter and the mortgage broker fails, without reasonable cause, to comply with the order within 20 business days or within such later time as prescribed by the Commissioner, the Commissioner shall:

- (a) Impose upon the mortgage broker an administrative fine of not more than ~~[\$10,000]~~ **\$25,000** for each violation;
- (b) Suspend or revoke the license of the mortgage broker; and
- (c) Conduct a hearing to determine whether the mortgage broker is conducting business in an unsafe and injurious manner that may result in danger to the public and whether it is necessary for the Commissioner to take possession of the property of the mortgage broker pursuant to NRS 645B.630.

3. If a mortgage broker:

- (a) Makes or offers for sale in this State any investments in promissory notes secured by liens on real property; and
 - (b) Receives the lowest possible rating on two consecutive annual or biennial examinations pursuant to NRS 645B.060,
- ↪ the Commissioner shall suspend or revoke the license of the mortgage broker.

Sec. 68. NRS 645B.955 is hereby amended to read as follows:

645B.955 1. ~~[The holder of]~~ ***A person who engages in an activity for which*** a license as a mortgage broker or mortgage agent ~~[may be]~~ ***is required pursuant to this chapter, without regard to whether such a person is licensed pursuant to this chapter, may be required*** by the Commissioner to pay restitution to any person who has suffered an economic loss as a result of a violation of the provisions of this chapter or any regulation adopted pursuant thereto.

2. Notwithstanding the provision of paragraph (m) of subsection 1 of NRS 622A.120, payment of restitution pursuant to subsection 1 shall be done in a manner consistent with the provisions of chapter 622A of NRS.

Sec. 69. Chapter 645E of NRS is hereby amended by adding thereto a new section to read as follows:

“Nationwide Mortgage Licensing System and Registry” or “Registry” has the meaning ascribed to it in NRS 645B.0128.

Sec. 70. NRS 645E.010 is hereby amended to read as follows:

645E.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 645E.020 to 645E.100, inclusive, **and section 69 of this act** have the meanings ascribed to them in those sections.

Sec. 71. NRS 645E.040 is hereby amended to read as follows:

645E.040 “Commercial property” means any real property which is located in this state and which is ~~[not] neither~~ used ~~[for a residential dwelling or dwellings intended for occupancy by four or fewer families.]~~ **as a dwelling nor upon which a dwelling is constructed or intended to be constructed. For the purposes of this section, “dwelling” has the meaning ascribed to it in section 103(v) of the federal Truth in Lending Act, 15 U.S.C. § 1602(v).**

Sec. 72. NRS 645E.150 is hereby amended to read as follows:

645E.150 Except as otherwise provided in NRS 645E.160, **the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. §§ 5101 et seq., and any regulations adopted pursuant thereto or other applicable law**, the provisions of this chapter do not apply to:

1. Any person doing business under the laws of this State, any other state or the United States relating to banks, savings banks, trust companies, savings and loan associations, industrial loan companies, credit unions, thrift companies or insurance companies, including, without limitation, a subsidiary or a holding company of such a bank, company, association or union.

2. A real estate investment trust, as defined in 26 U.S.C. § 856, unless the business conducted in this State is not subject to supervision by the regulatory authority of the other jurisdiction, in which case licensing pursuant to this chapter is required.

3. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is made directly from money in the plan by the plan’s trustee.

4. An attorney at law rendering services in the performance of his or her duties as an attorney at law.

5. A real estate broker rendering services in the performance of his or her duties as a real estate broker.

6. Any person doing any act under an order of any court.

7. Any one natural person, or husband and wife, who provides money for investment in **commercial** loans secured by a lien on real property, on his or her own account, unless such a person makes a loan secured by a lien on real property using his or her own money and assigns all or a part of his or her interest in the loan to another person, other than his or her spouse or child, within ~~[5]~~ 3 years after the date on which the loan is made or the deed of trust is recorded, whichever occurs later.

8. **A natural person who only offers or negotiates terms of a residential mortgage loan:**

(a) **With or on behalf of an immediate family member of the person; or**

(b) Secured by a dwelling that served as the person's residence.

~~{8-}~~ 9. Agencies of the United States and of this State and its political subdivisions, including the Public Employees' Retirement System.

~~{9-}~~ 10. A seller of real property who offers credit secured by a mortgage of the property sold.

11. *A nonprofit agency or organization:*

(a) Which provides self-help housing for a borrower who has provided part of the labor to construct the dwelling securing the borrower's loan;

(b) Which does not charge or collect origination fees in connection with the origination of residential mortgage loans;

(c) Which only makes residential mortgage loans at an interest rate of 0 percent per annum;

(d) Whose volunteers, if any, do not receive compensation for their services in the construction of a dwelling; and

(e) Which does not profit from the sale of a dwelling to a borrower.

12. *A housing counseling agency approved by the United States Department of Housing and Urban Development.*

Sec. 73. NRS 645E.160 is hereby amended to read as follows:

645E.160 1. Except as otherwise provided in subsection 2, a person who claims an exemption from the provisions of this chapter pursuant to subsection 1 of NRS 645E.150 must:

(a) File a written application for a certificate of exemption with the Office of the Commissioner;

(b) Pay the fee required pursuant to NRS 645E.280;

(c) Include with the written application satisfactory proof that the person meets the requirements of subsection 1 of NRS 645E.150; and

(d) Provide evidence to the Commissioner that the person is duly licensed to conduct his or her business, including, if applicable, the right to transact mortgage loans, and such license is in good standing pursuant to the laws of this State, any other state or the United States.

2. The provisions of subsection 1 do not apply to the extent preempted by federal law.

3. The Commissioner may require a person who claims an exemption from the provisions of this chapter pursuant to subsections 2 to ~~{9-}~~ 12, inclusive, of NRS 645E.150 to:

(a) File a written application for a certificate of exemption with the Office of the Commissioner;

(b) Pay the fee required pursuant to NRS 645E.280; and

(c) Include with the written application satisfactory proof that the person meets the requirements of at least one of those exemptions.

4. A certificate of exemption expires automatically if, at any time, the person who claims the exemption no longer meets the requirements of at least one exemption set forth in the provisions of NRS 645E.150.

5. If a certificate of exemption expires automatically pursuant to this section, the person shall not provide any of the services of a mortgage banker or otherwise engage in, carry on or hold himself or herself out as engaging in or carrying on the business of a mortgage banker unless the person applies for and is issued:

- (a) A license as a mortgage banker pursuant to this chapter; or
- (b) Another certificate of exemption.

6. The Commissioner may impose upon a person who is required to apply for a certificate of exemption or who holds a certificate of exemption an administrative fine of not more than \$10,000 for each violation that he or she commits, if the person:

- (a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;
- (b) Has suppressed or withheld from the Commissioner any information which the person possesses and which, if submitted by him or her, would have rendered the person ineligible to hold a certificate of exemption; or
- (c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner that applies to a person who is required to apply for a certificate of exemption or who holds a certificate of exemption.

7. A person who is exempt from the requirements of this chapter may file a written application for a certificate of exemption with the Office of the Commissioner for the purposes of complying with the requirements of the Registry or enabling a mortgage agent to comply with the requirements of the Registry.

8. The Commissioner may require an applicant or person described in subsection 7 to submit the information or pay the fee directly to the Division or, if the applicant or person is required to register or voluntarily registers with the Registry, to the Division through the Registry.

9. An application filed pursuant to subsection 7 does not affect the applicability of this chapter to such an applicant or person.

Sec. 74. NRS 645E.170 is hereby amended to read as follows:

645E.170 1. A person may apply to the Commissioner for an exemption from the provisions of this chapter governing the making of a loan of money ~~[-]~~ **only for a loan secured by commercial property.**

2. The Commissioner may grant the exemption if the Commissioner finds that:

- (a) The making of the loan would not be detrimental to the financial condition of the lender or the debtor;

(b) The lender or the debtor has established a record of sound performance, efficient management, financial responsibility and integrity;

(c) The making of the loan is likely to increase the availability of capital for a sector of the state economy; and

(d) The making of the loan is not detrimental to the public interest.

3. The Commissioner:

(a) May revoke an exemption unless the loan for which the exemption was granted has been made; and

(b) Shall issue a written statement setting forth the reasons for his or her decision to grant, deny or revoke an exemption.

Sec. 75. NRS 645E.200 is hereby amended to read as follows:

645E.200 1. A person who wishes to be licensed as a mortgage banker must file a written application for a license with the Office of the Commissioner and pay the fee required pursuant to NRS 645E.280. An application for a license as a mortgage banker must:

(a) Be verified.

(b) State the name, residence address and business address of the applicant and the location of each principal office and branch office at which the mortgage banker will conduct business in this State, including, without limitation, any office or other place of business located outside this State from which the mortgage banker will conduct business in this State ~~{-}~~ ***and any office or other place of business which the applicant maintains as a corporate or home office.***

(c) State the name under which the applicant will conduct business as a mortgage banker.

(d) If the applicant is not a natural person, list the name, residence address and business address of each person who will have an interest in the mortgage banker as a principal, partner, officer, director or trustee, specifying the capacity and title of each such person.

(e) Indicate the general plan and character of the business.

(f) State the length of time the applicant has been engaged in the business of a mortgage banker.

(g) Include a financial statement of the applicant.

(h) ***Include a complete set of fingerprints for each natural person who is a principal, partner, officer, director or trustee of the applicant which the Division may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.***

(i) Include any other information required pursuant to the regulations adopted by the Commissioner or an order of the Commissioner.

2. If a mortgage banker will conduct business in this State at one or more branch offices, the mortgage banker must apply for a license for each such branch office.

3. Except as otherwise provided ~~[in this chapter.]~~ **by law**, the Commissioner shall issue a license to an applicant as a mortgage banker if:

(a) The application **is verified by the Commissioner and** complies with the requirements of this chapter ~~[.]~~, **other applicable law and, if applicable, the Registry;** and

(b) The applicant and each general partner, officer or director of the applicant, if the applicant is a partnership, corporation or unincorporated association:

(1) ~~Has [a good reputation for honesty, trustworthiness and integrity and displays competence to transact the business of a mortgage banker in a manner which safeguards the interests of the general public. The applicant must submit satisfactory proof of these qualifications to the Commissioner.~~

~~(2) Has not been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage bankers or any crime involving fraud, misrepresentation or moral turpitude.~~

~~(3) Has not made a false statement of material fact on his or her application.~~

~~(4) Has not had a license that was issued pursuant to the provisions of this chapter or chapter 645B of NRS suspended or revoked within the 10 years immediately preceding the date of application.~~

~~(5) Has not had a license that was issued in any other state, district or territory of the United States or any foreign country suspended or revoked within the 10 years immediately preceding the date of application.~~

~~(6)]~~ **demonstrated financial responsibility, character and general fitness so as to command the confidence of the community and warrant a determination that the applicant will operate honestly, fairly and efficiently for the purposes of this chapter. For the purposes of this subparagraph, the factors considered in determining whether a person has demonstrated financial responsibility include, without limitation:**

(I) Whether the person's personal credit history indicates any adverse material items, including, without limitation, liens, judgments, disciplinary action, bankruptcies, foreclosures or failures to comply with court-approved payment plans;

(II) The circumstances surrounding any adverse material items in the person's personal credit history; and

(III) Any instance of fraud, misrepresentation, dishonest business practices, the mishandling of trust funds or other types of comparable behavior.

(2) *Has not been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering.*

(3) *Has not made a false statement of material fact on the application.*

(4) *Has never had a license or registration as a mortgage agent, mortgage banker, mortgage broker or residential mortgage loan originator revoked in this State or any other jurisdiction or had a financial services license revoked within the immediately preceding 10 years.*

(5) Has not violated any provision of this chapter or chapter 645B of NRS, a regulation adopted pursuant thereto or an order of the Commissioner.

4. If an applicant is a partnership, corporation or unincorporated association, the Commissioner may refuse to issue a license to the applicant if any member of the partnership or any officer or director of the corporation or unincorporated association has committed any act or omission that would be cause for refusing to issue a license to a natural person.

5. A person may apply for a license for an office or other place of business located outside this State from which the applicant will conduct business in this State if the applicant or a subsidiary or affiliate of the applicant has a license issued pursuant to this chapter for an office or other place of business located in this State and if the applicant submits with the application for a license a statement signed by the applicant which states that the applicant agrees to:

(a) Make available at a location within this State the books, accounts, papers, records and files of the office or place of business located outside this State to the Commissioner or a representative of the Commissioner; or

(b) Pay the reasonable expenses for travel, meals and lodging of the Commissioner or a representative of the Commissioner incurred during any investigation or examination made at the office or place of business located outside this State.

➡ The applicant must be allowed to choose between paragraph (a) or (b) in complying with the provisions of this subsection.

Sec. 76. NRS 645E.280 is hereby amended to read as follows:

645E.280 1. A license issued to a mortgage banker pursuant to this chapter expires each year on December 31, unless it is renewed. To renew a license, the licensee must submit to the Commissioner *on or after November 1 and* on or before December 31 of each year ~~[-]~~, *or on a date otherwise specified by the Commissioner by regulation:*

(a) An application for renewal that complies with the requirements of this chapter; ~~[and]~~

(b) The fee required to renew the license pursuant to this section ~~[-]~~; *and*

(c) All information required by the Commissioner or, if applicable, required by the Registry to complete the renewal.

2. If the licensee fails to submit any item required pursuant to subsection 1 to the Commissioner *on or after November 1 and* on or before December 31 of any year, *unless a different date is specified by the Commissioner by regulation*, the license is cancelled ~~as of December 31 of that year~~. The Commissioner may reinstate a cancelled license if the licensee submits to the Commissioner ~~on or before February 28 of the following year~~:

(a) An application for renewal that complies with the requirements of this chapter;

(b) The fee required to renew the license pursuant to this section; ~~and~~

(c) ~~Except as otherwise provided in this section, a~~ reinstatement fee of not more than \$200 ~~;~~ *and*

(d) All information required to complete the reinstatement.

3. Except as otherwise provided in NRS 645E.160, a certificate of exemption issued pursuant to this chapter expires each year on December 31, unless it is renewed. To renew a certificate of exemption, a person must submit to the Commissioner *on or after November 1 and* on or before December 31 of each year ~~;~~ *, or on a date otherwise specified by the Commissioner by regulation*:

(a) An application for renewal that complies with the requirements of this chapter; and

(b) The fee required to renew the certificate of exemption.

4. If the person fails to submit any item required pursuant to subsection 3 to the Commissioner *on or after November 1 and* on or before December 31 of any year, *unless a different date is specified by the Commissioner by regulation*, the certificate of exemption is cancelled. Except as otherwise provided in NRS 645E.160, the Commissioner may reinstate a cancelled certificate of exemption if the person submits to the Commissioner ~~on or before February 28 of the following year~~:

(a) An application for renewal that complies with the requirements of this chapter;

(b) The fee required to renew the certificate of exemption; and

(c) ~~Except as otherwise provided in this section, a~~ reinstatement fee of not more than \$100.

5. ~~Except as otherwise provided in this section, a~~ person must pay the following fees to apply for, to be issued or to renew a license as a mortgage banker pursuant to this chapter:

(a) To file an original application for a license, not more than \$1,500 for the principal office and not more than \$40 for each branch office. The person must also pay such additional expenses incurred in the process of investigation as the Commissioner deems necessary.

(b) To be issued a license, not more than \$1,000 for the principal office and not more than \$60 for each branch office.

(c) To renew a license, not more than \$500 for the principal office and not more than \$100 for each branch office.

6. ~~[A]~~ ***Except as otherwise provided in this section, a*** person must pay the following fees to apply for or to renew a certificate of exemption pursuant to this chapter:

(a) To file an application for a certificate of exemption, not more than \$200.

(b) To renew a certificate of exemption, not more than \$100.

7. To be issued a duplicate copy of any license or certificate of exemption, a person must make a satisfactory showing of its loss and pay a fee of not more than \$10.

8. Except as otherwise provided in this chapter, all fees received pursuant to this chapter ***are in addition to any fee required to be paid to the Registry and*** must be deposited in the Fund for Mortgage Lending created by NRS 645F.270.

9. The Commissioner may, by regulation, adjust any fee set forth in this section if the Commissioner determines that such an adjustment is necessary for the Commissioner to carry out his or her duties pursuant to this chapter. The amount of any adjustment in a fee pursuant to this subsection must not exceed the amount determined to be necessary for the Commissioner to carry out his or her duties pursuant to this chapter.

10. The Commissioner may require a licensee to submit an item or pay a fee required by this section directly to the Division or, if the licensee is required to register or voluntarily registers with the Registry, to the Division through the Registry.

Sec. 77. NRS 645E.290 is hereby amended to read as follows:

645E.290 1. Any person licensed as a mortgage banker under this chapter and who engages in activities as a ~~[residential mortgage]~~ loan originator or who supervises a mortgage agent who engages in activities as a ~~[residential mortgage]~~ loan originator, and any employee or independent contractor of a mortgage banker who engages in activities as a ~~[residential mortgage]~~ loan originator, must be licensed as a mortgage agent pursuant to the provisions of NRS 645B.400 to 645B.460, inclusive.

2. As used in this section ~~[“residential mortgage loan originator” has the meaning ascribed to it in NRS 645B.01325.]~~:

(a) ***“Clerical or ministerial tasks” means communication with a person to obtain, and the receipt, collection and distribution of, information necessary for the processing or underwriting of a loan.***

(b) *“Loan originator” means a natural person who takes a loan application or offers or negotiates terms of a loan for compensation or other pecuniary gain. The term does not include:*

(1) A person who performs clerical or ministerial tasks as an employee at the direction of and subject to the supervision and instruction of a person licensed or exempt from licensing under this chapter, unless the person who performs such clerical or ministerial tasks is an independent contractor; or

(2) A person solely involved in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. § 101(53D).

Sec. 78. NRS 645E.291 is hereby amended to read as follows:

645E.291 1. A mortgage banker shall exercise reasonable supervision over the activities of his or her mortgage agents and must also be licensed as a mortgage agent if required pursuant to NRS 645E.290. Such reasonable supervision must include, as appropriate:

(a) The establishment of written or oral policies and procedures for the mortgage agents;

(b) The establishment of a system to review, oversee and inspect the activities of the mortgage agents, including, without limitation:

(1) Transactions handled by the mortgage agents pursuant to this chapter;

(2) Communications between the mortgage agents and a party to such a transaction;

(3) Documents prepared by the mortgage agents that may have a material effect upon the rights or obligations of a party to such a transaction; and

(4) The handling by the mortgage agents of any fee, deposit or money paid to the mortgage banker or the mortgage agents or held in trust by the mortgage banker or the mortgage agents pursuant to this chapter; and

(c) The establishment of a system of reporting to the Division of any fraudulent activity engaged in by any of the mortgage agents.

2. The Commissioner shall allow a mortgage banker to take into consideration the total number of mortgage agents associated with or employed by the mortgage banker when the mortgage banker determines the form and extent of the policies and procedures for those mortgage agents and the system to review, oversee and inspect the activities of those mortgage agents.

3. The Commissioner may adopt regulations prescribing standards for determining whether a mortgage ~~broker~~ **banker** has exercised reasonable supervision over the activities of a mortgage agent pursuant to this section.

Sec. 79. NRS 645E.350 is hereby amended to read as follows:

645E.350 1. Each mortgage banker shall keep and maintain at all times at each location where the mortgage banker conducts business in this State complete and suitable records of all mortgage transactions made by the mortgage banker at that location. Each mortgage banker shall also keep and maintain at all times at each such location all original books, papers and data, or copies thereof, clearly reflecting the financial condition of the business of the mortgage banker.

2. Each mortgage banker shall submit to the Commissioner each month a report of the mortgage banker's activity for the previous month. The report must:

- (a) Specify the volume of loans made by the mortgage banker for the month or state that no loans were made in that month;
- (b) Include any information required pursuant to the regulations adopted by the Commissioner; and
- (c) Be submitted to the Commissioner by the 15th day of the month following the month for which the report is made.

3. The Commissioner may adopt regulations prescribing accounting procedures for mortgage bankers handling trust accounts and the requirements for keeping records relating to such accounts.

4. A licensee who operates outside this State an office or other place of business which is licensed pursuant to this chapter shall:

- (a) Make available at a location within this State the books, accounts, papers, records and files of the office or place of business located outside this State to the Commissioner or a representative of the Commissioner; or
- (b) Pay the reasonable expenses for travel, meals and lodging of the Commissioner or a representative of the Commissioner incurred during any investigation or examination made at the office or place of business located outside this State.

➤ The licensee must be allowed to choose between paragraph (a) or (b) in complying with the provisions of this subsection.

5. *Each mortgage banker who is required to register or voluntarily registers with the Registry shall submit to the Registry and the Commissioner a report of condition or any other report required by the Registry in the form and at the time required by the Registry.*

Sec. 80. NRS 645E.360 is hereby amended to read as follows:

645E.360 1. Except as otherwise provided in this section, not later than ~~120~~ **90** days after the last day of each fiscal year for a mortgage banker, the mortgage banker shall submit to the Commissioner a financial statement that:

- (a) Is dated not earlier than the last day of the fiscal year; and
- (b) Has been prepared from the books and records of the mortgage banker by an independent **certified** public accountant who holds a ~~permit~~ **license** to

~~[engage in the] practice [of public accounting]~~ in this State *or in any other state* that has not been revoked or suspended.

2. ~~[The]~~ ***Unless otherwise prohibited by the Registry, the*** Commissioner may grant a reasonable extension for the submission of a financial statement pursuant to this section if a mortgage banker requests such an extension before the date on which the financial statement is due.

3. If a mortgage banker maintains any accounts described in NRS 645E.430, the financial statement submitted pursuant to this section must be audited. ~~[The public accountant who prepares the report of an audit shall submit a copy of the report to the Commissioner at the same time that he or she submits the report to the mortgage banker.]~~

4. ***The Commissioner may require the financial statement to be submitted directly to the Commissioner or, if the mortgage banker that submits the financial statement is required to register or voluntarily registers with the Registry, to the Division through the Registry.***

5. The Commissioner shall adopt regulations prescribing the scope of an audit conducted pursuant to subsection 3.

Sec. 81. NRS 645E.375 is hereby amended to read as follows:

645E.375 1. Except as otherwise provided in this section and NRS 239.0115, a complaint filed with the Commissioner, all documents and other information filed with the complaint and all documents and other information compiled as a result of an investigation conducted to determine whether to initiate disciplinary action are confidential.

2. The complaint or other document filed by the Commissioner to initiate disciplinary action and all documents and information considered by the Commissioner when determining whether to impose discipline are public records.

3. ***The Commissioner may disclose any document or information made confidential under subsection 1 to the party against whom the complaint is made, a licensing board or agency, the Registry or any other governmental agency, including, without limitation, a law enforcement agency.***

Sec. 82. NRS 645E.390 is hereby amended to read as follows:

645E.390 1. The Commissioner must be notified of a transfer of ~~[5]~~ **10** percent or more of the outstanding voting stock of a mortgage banker and must approve a transfer of voting stock of a mortgage banker which constitutes a change of control.

2. The person who acquires stock resulting in a change of control of the mortgage banker shall apply to the Commissioner for approval of the transfer. The application must contain information which shows that the requirements of this chapter ***and of the Registry, if applicable,*** for obtaining a license will be satisfied after the change of control. Except as otherwise provided in subsection 3, the Commissioner shall conduct an investigation to

determine whether those requirements will be satisfied. If, after the investigation, the Commissioner denies the application, the Commissioner may forbid the applicant from participating in the business of the mortgage banker.

3. A mortgage banker may submit a written request to the Commissioner to waive an investigation pursuant to subsection 2. The Commissioner may grant a waiver if the applicant has undergone a similar investigation by a state or federal agency in connection with the licensing of or his or her employment with a financial institution.

4. As used in this section, "change of control" means:

(a) A transfer of voting stock which results in giving a person, directly or indirectly, the power to direct the management and policy of a mortgage banker; or

(b) A transfer of at least 25 percent of the outstanding voting stock of a mortgage banker.

Sec. 83. NRS 645E.420 is hereby amended to read as follows:

645E.420 1. Except as otherwise *permitted by law and as otherwise* provided in subsection 3, the amount of any advance fee, salary, deposit or money paid to any mortgage banker or other person to obtain a loan secured by a lien on real property must be placed in escrow pending completion of the loan or a commitment for the loan.

2. The amount held in escrow pursuant to subsection 1 must be released:

(a) Upon completion of the loan or commitment for the loan, to the mortgage banker or other person to whom the advance fee, salary, deposit or money was paid.

(b) If the loan or commitment for the loan fails, to the person who made the payment.

3. Advance payments to cover reasonably estimated costs paid to third persons are excluded from the provisions of subsections 1 and 2 if the person making them first signs a written agreement which specifies the estimated costs by item and the estimated aggregate cost, and which recites that money advanced for costs will not be refunded. If an itemized service is not performed and the estimated cost thereof is not refunded, the recipient of the advance payment is subject to the penalties provided in NRS 645E.960.

Sec. 84. NRS 645E.670 is hereby amended to read as follows:

645E.670 1. For each violation committed by an applicant, whether or not the applicant is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than ~~[\$10,000]~~ **\$25,000** if the applicant:

(a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(b) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by the applicant, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or

(c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his or her application for a license or during the course of the investigation of his or her application for a license.

2. For each violation committed by a licensee, the Commissioner may impose upon the licensee an administrative fine of not more than ~~[\$10,000,]~~ **\$25,000**, may suspend, revoke or place conditions upon the license, or may do both, if the licensee, whether or not acting as such:

(a) Is insolvent;

(b) Is grossly negligent or incompetent in performing any act for which the licensee is required to be licensed pursuant to the provisions of this chapter;

(c) Does not conduct his or her business in accordance with law or has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(d) Is in such financial condition that the licensee cannot continue in business with safety to his or her customers;

(e) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(f) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the licensee knew or, by the exercise of reasonable diligence, should have known;

(g) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the licensee possesses and which, if submitted by the licensee, would have rendered the licensee ineligible to be licensed pursuant to the provisions of this chapter;

(h) Has failed to account to persons interested for all money received for a trust account;

(i) Has refused to permit an examination by the Commissioner of his or her books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter or a regulation adopted pursuant to this chapter;

(j) Has been convicted of, or entered *or agreed to enter* a plea of nolo contendere to, a felony ~~[relating to the practice of mortgage bankers or any crime involving fraud, misrepresentation or moral turpitude.]~~ **in a domestic,**

foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering;

(k) Has refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses that the licensee is required to pay pursuant to this chapter or a regulation adopted pursuant to this chapter;

(l) Has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS;

(m) Has failed to satisfy a claim made by a client which has been reduced to judgment;

(n) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(o) Has violated NRS 645C.557;

(p) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use; or

(q) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice.

3. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 85. NRS 645E.690 is hereby amended to read as follows:

645E.690 1. If a person offers or provides any of the services of a mortgage banker or mortgage agent or otherwise engages in, carries on or holds himself or herself out as engaging in or carrying on the business of a mortgage banker or mortgage agent and, at the time:

(a) The person was required to have a license pursuant to this chapter and the person did not have such a license; or

(b) The person's license was suspended or revoked pursuant to this chapter,

➡ the Commissioner shall impose upon the person an administrative fine of not more than \$50,000 for each violation and, if the person has a license, the Commissioner ~~shall~~ **may suspend or** revoke it.

2. If a mortgage banker violates subsection 1 of NRS 645E.350 and the mortgage banker fails, without reasonable cause, to remedy the violation within 20 business days after being ordered by the Commissioner to do so or within such later time as prescribed by the Commissioner, or if the Commissioner orders a mortgage banker to provide information, make a report or permit an examination of his or her books or affairs pursuant to this chapter and the mortgage banker fails, without reasonable cause, to comply with the order within 20 business days or within such later time as prescribed by the Commissioner, the Commissioner shall:

(a) Impose upon the mortgage banker an administrative fine of not more than ~~[\$10,000]~~ **\$25,000** for each violation;

(b) Suspend or revoke the license of the mortgage banker; and

(c) Conduct a hearing to determine whether the mortgage banker is conducting business in an unsafe and injurious manner that may result in danger to the public and whether it is necessary for the Commissioner to take possession of the property of the mortgage banker pursuant to NRS 645E.630.

Sec. 86. NRS 645E.955 is hereby amended to read as follows:

645E.955 1. ~~[The holder of]~~ ***A person who engages in an activity for which*** a license as a mortgage banker ~~[may be]~~ ***is required pursuant to this chapter, without regard to whether such a person is licensed pursuant to this chapter, may be required*** by the Commissioner to pay restitution to any person who has suffered an economic loss as a result of a violation of the provisions of this chapter or any regulation adopted pursuant thereto.

2. Notwithstanding the provision of paragraph (m) of subsection 1 of NRS 622A.120, payment of restitution pursuant to subsection 1 shall be done in a manner consistent with the provisions of chapter 622A of NRS.

Sec. 87. Chapter 645F of NRS is hereby amended by adding thereto the provisions set forth as sections 88, ~~88.1~~ **88.5** and 90 of this act.

Sec. 88. ***“Residence” means a structure that contains not more than four individual units designed or intended for occupancy regardless of whether such a structure is attached to real property. The term includes an individual condominium unit, cooperative unit, mobile home or trailer used for occupancy.***

Sec. 88.5. ***A person who performs any covered service for compensation, a foreclosure consultant and a loan modification consultant shall not claim, demand, charge, collect or receive any compensation before a homeowner has executed a written agreement with the lender or servicer incorporating the offer of mortgage assistance obtained from the lender or servicer by the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant.***

Sec. 89. (Deleted by amendment.)

Sec. 90. 1. ***Any person authorized to engage in activities as a residential mortgage loan originator on behalf of an installment loan lender licensed under chapter 675 of NRS shall obtain and maintain a license as a mortgage agent.***

2. ***As used in this section:***

(a) ***“Mortgage agent” has the meaning ascribed to in NRS 645B.0125; and***

(b) *“Residential mortgage loan originator” has the meaning ascribed to it in NRS 645B.01325.*

Sec. 91. NRS 645F.280 is hereby amended to read as follows:

645F.280 1. The Commissioner shall establish by regulation rates to be paid by ~~escrow agencies, mortgage agents, mortgage brokers, mortgage bankers, persons who perform any covered service for compensation, foreclosure consultants and loan modification consultants~~ ***all persons licensed by the Commissioner or the Division*** for supervision and examinations by the Commissioner or the Division.

2. In establishing a rate pursuant to subsection 1, the Commissioner shall consider:

- (a) The complexity of the various examinations to which the rate applies;
- (b) The skill required to conduct the examinations;
- (c) The expenses associated with conducting the examination and preparing a report; and
- (d) Any other factors the Commissioner deems relevant.

Sec. 92. NRS 645F.290 is hereby amended to read as follows:

645F.290 1. The Commissioner shall collect an assessment pursuant to this section from each ~~[-~~

- ~~(a) Escrow agency that is supervised pursuant to chapter 645A of NRS;~~
- ~~(b) Mortgage broker that is supervised pursuant to chapter 645B of NRS;~~
- ~~(c) Mortgage agent that is supervised pursuant to chapter 645B or 645E of NRS;~~

~~(d) Mortgage banker that is supervised pursuant to chapter 645E of NRS;~~
and

~~(e) Person who performs any covered service for compensation, each foreclosure consultant and each loan modification consultant that is supervised pursuant to this chapter.]~~ ***person licensed by the Commissioner or the Division.***

2. The Commissioner shall determine the total amount of all assessments to be collected from the ~~[entities]~~ ***persons*** identified in subsection 1, but that amount must not exceed the amount necessary to recover the cost of legal services provided by the Attorney General to the Commissioner and to the Division. The total amount of all assessments collected must be reduced by any amounts collected by the Commissioner from ~~[an entity]~~ ***a person*** for the recovery of the costs of legal services provided by the Attorney General in a specific case.

3. The Commissioner shall collect from each ~~[entity]~~ ***person*** identified in subsection 1 an assessment that is based on:

- (a) An equal basis; or
- (b) Any other reasonable basis adopted by the Commissioner.

4. The assessment required by this section is in addition to any other assessment, fee or cost required by law to be paid by ~~[an entity]~~ **a person** identified in subsection 1.

5. Money collected by the Commissioner pursuant to this section must be deposited in the Fund for Mortgage Lending created by NRS 645F.270.

Sec. 93. NRS 645F.291 is hereby amended to read as follows:

645F.291 1. In the conduct of any examination, periodic or special audit, investigation or hearing, the Commissioner may:

- (a) Compel the attendance of any person by subpoena.
- (b) ***Compel the production of any books, records or papers by subpoena.***
- (c) Administer oaths.

~~{(e)}~~ **(d)** Examine any person under oath concerning the business and conduct of affairs of any person subject to the provisions of this chapter and in connection therewith require the production of any books, records or papers relevant to the inquiry.

2. Any person subpoenaed under the provisions of this section who willfully refuses or willfully neglects to appear at the time and place named in the subpoena or to produce books, records or papers required by the Commissioner, or who refuses to be sworn or answer as a witness, is guilty of a misdemeanor.

3. In addition to the authority to recover attorney's fees and costs pursuant to any other statute, the Commissioner may assess against and collect from a person all costs, including, without limitation, reasonable attorney's fees, that are attributable to any examination, periodic or special audit, investigation or hearing that is conducted to examine or investigate the conduct, activities or business of the person pursuant to this chapter.

Sec. 94. NRS 645F.294 is hereby amended to read as follows:

645F.294 1. Except as otherwise provided in section 1512 of Public Law 110-289, ***12 U.S.C. § 5111***, the requirements under any federal law or NRS 645B.060 and 645B.092 regarding the confidentiality of any information or material provided to the Registry, and any privilege arising under federal ***law or the*** laws of this State with respect to such information or material, continue to apply to such information or material after it has been disclosed to the Registry. Such information and material may be shared with federal and state regulatory officials with mortgage industry oversight without the loss of privilege or the loss of confidentiality protections provided by federal law or the provisions of NRS 645B.060 and 645B.092.

2. Information or material that is subject to a privilege or confidentiality under subsection 1 is not subject to:

- (a) Disclosure under any federal or state law governing the disclosure to the public of information held by an officer or agency of the Federal Government or the State of Nevada; and

(b) Subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the Registry with respect to such information or material, the person to whom such information or material waives, in whole or in part, that privilege.

3. This section does not apply to information or material relating to:

(a) The employment history of; and

(b) Publicly adjudicated disciplinary and enforcement actions against,

➔ residential mortgage loan originators included in the Registry for access by the public.

Sec. 95. NRS 645F.300 is hereby amended to read as follows:

645F.300 As used in NRS 645F.300 to 645F.450, inclusive, *and* ~~section~~ sections 88 and 88.5 of this act, unless the context otherwise requires, the words and terms defined in NRS 645F.310 to 645F.370, inclusive, *and section 88 of this act* have the meanings ascribed to them in those sections.

Sec. 96. NRS 645F.310 is hereby amended to read as follows:

645F.310 “Covered service” includes, without limitation:

1. Financial counseling ~~to~~ *to a homeowner*, including, without limitation, debt counseling and budget counseling.

2. Receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a mortgage or other lien on a residence in foreclosure.

3. Contacting a creditor on behalf of a homeowner.

4. Arranging or attempting to arrange for an extension of the period within which a homeowner may cure a default and reinstate an obligation pursuant to a note, mortgage or deed of trust.

5. Arranging or attempting to arrange for any delay or postponement of the time of a foreclosure sale ~~to~~ *of a residence in foreclosure*.

6. Advising *a homeowner regarding* the filing of any document or assisting in any manner in the preparation of any document for filing with a bankruptcy court.

7. Giving any advice, explanation or instruction to a homeowner which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a mortgage or other lien on ~~the~~ *a residence*, ~~in foreclosure,~~ the full satisfaction of the obligation, or the postponement or avoidance of a foreclosure sale.

8. *Arranging or conducting, or attempting to arrange or conduct, for a homeowner any forensic loan audit or review or other audit or review of loan documents.*

9. *Arranging or attempting to arrange for a homeowner the purchase by a third party of the homeowner's mortgage loan.*

10. Arranging or attempting to arrange for a homeowner a reduction of the principal of the homeowner's mortgage loan when such a mortgage loan is held by or serviced by a third party.

11. Providing the services of a loan modification consultant.

12. Providing the services of a foreclosure consultant.

Sec. 97. NRS 645F.370 is hereby amended to read as follows:

645F.370 "Residence in foreclosure" means residential real property consisting of not more than four family dwelling units ~~[one of] a residence which the homeowner occupies as his or her principal place of residence,~~ and against which there is an outstanding notice of the pendency of an action for foreclosure recorded pursuant to NRS 14.010 or notice of default and election to sell recorded pursuant to NRS 107.080.

Sec. 98. NRS 645F.380 is hereby amended to read as follows:

645F.380 ~~[The]~~

1. Except as otherwise provided in subsection 2, the provisions of NRS 645F.300 to 645F.450, inclusive, ~~and [section]~~ **sections 88 and 88.5 of this act** do not apply to, and the terms "foreclosure consultant" and "foreclosure purchaser" do not include:

~~[1.]~~ **(a)** An attorney at law rendering services in the performance of his or her duties as an attorney at law ~~, and his or her employees,~~ unless the attorney at law ~~is for his or her employees are~~ rendering those services in the course and scope of his or her employment by or other affiliation with a ~~[mortgage broker or mortgage agent,]~~ **person who is licensed or required to be licensed pursuant to NRS 645F.390;**

~~[2.]~~ **(b)** A provider of debt-management services registered pursuant to chapter 676A of NRS while providing debt-management services pursuant to chapter 676A of NRS;

~~[3.]~~ **(c)** A person or the authorized agent of a person acting under the provisions of a program sponsored by the Federal Government, this State or a local government, including, without limitation, the Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Federal Home Loan Bank ~~[;]~~ **System;**

~~[4.]~~ **(d)** A person who holds or is owed an obligation secured by a mortgage or other lien on a residence in foreclosure if the person performs services in connection with this obligation or lien and the obligation or lien did not arise as the result of or as part of a proposed foreclosure reconveyance;

~~[5.]~~ **(e)** Any person doing business under the laws of this State or of the United States relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee which is a United States

Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of those persons, and any agent or employee of those persons while engaged in the business of those persons;

~~{6.}~~ *(f)* A person, other than a person who is licensed pursuant to NRS 645F.390, who is licensed pursuant to chapter 692A or any chapter of title 54 of NRS while acting under the authority of the license;

~~{7.}~~ *(g)* A nonprofit agency or organization that offers credit counseling or advice to a homeowner of a residence in foreclosure or a person in default on a loan; or

~~{8.}~~ *(h)* A judgment creditor of the homeowner whose claim accrued before the recording of the notice of the pendency of an action for foreclosure against the homeowner pursuant to NRS 14.010 or the recording of the notice of default and election to sell pursuant to NRS 107.080.

2. The provisions of section 88.5 of this act apply to an attorney at law who renders services in the performance of his or her duties as an attorney at law regardless of whether the attorney at law renders those services in the course and scope of his or her employment by or other affiliation with a person who is licensed or required to be licensed pursuant to NRS 645F.390.

Sec. 99. NRS 645F.390 is hereby amended to read as follows:

645F.390 1. The Commissioner shall adopt ~~{separate}~~ regulations for the licensing of:

- (a) A person who performs any covered service for compensation;
- (b) A foreclosure consultant; and
- (c) A loan modification consultant.

2. The regulations must prescribe, without limitation:

- (a) The method and form of application for a license;
- (b) The method and form of the issuance, denial or renewal of a license;
- (c) The grounds and procedures for the revocation, suspension or nonrenewal of a license; ~~{and}~~

(d) The imposition of reasonable fees for application and licensure ~~{ }~~ ;
and

(e) *Any provisions necessary to comply with the provisions of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, Public Law 110-289, 12 U.S.C. §§ 5101 et seq., including registration with the Registry, and the Mortgage Assistance Relief Services Rule, 16 C.F.R. Part 322, as promulgated by the Federal Trade Commission.*

3. An application for a license pursuant to this section must include a complete set of the fingerprints of the applicant or, if the applicant is not a natural person, a complete set of the fingerprints of each person who will have an interest in the person who performs any covered service as a principal, partner, officer, director or trustee, and written permission

authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

Sec. 100. NRS 645F.392 is hereby amended to read as follows:

645F.392 1. A person who performs any covered service for compensation ~~[, a foreclosure consultant and a loan modification consultant]~~ shall execute a written contract with a homeowner before providing any covered service.

2. The Commissioner shall adopt regulations describing the information that must be contained in a written contract for covered services.

Sec. 101. NRS 645F.394 is hereby amended to read as follows:

645F.394 ~~[1. All money paid to a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant by a person in full or partial payment of covered services to be performed:~~

~~(a) Must be deposited in a separate checking account located in a federally insured depository financial institution or credit union in this State which must be designated a trust account;~~

~~(b) Must be kept separate from money belonging to the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant; and~~

~~(c) Must not be withdrawn by the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant until the completion of every covered service as agreed upon in the contract for covered services.~~

~~2. The person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant shall keep records of all money deposited in a trust account pursuant to subsection 1. The records must clearly indicate the date and from whom he or she received money, the date deposited, the dates of withdrawals, and other pertinent information concerning the transaction, and must show clearly for whose account the money is deposited and to whom the money belongs. The person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant shall balance each separate trust account at least monthly and provide to the Commissioner, on a form provided by the Commissioner, an annual accounting which shows an annual reconciliation of each separate trust account. All such records and money are subject to inspection and audit by the Commissioner and authorized representatives of the Commissioner.~~

~~3. Each person who performs any covered service for compensation, each foreclosure consultant and each loan modification consultant shall notify the Commissioner of the names of the banks and credit unions in~~

which he or she maintains trust accounts and specify the names of the accounts on forms provided by the Commissioner.

4. ~~As used in this section, “completion of every covered service” means:~~

~~(a) Successful results with respect to what the performance of each covered service was intended to yield for the homeowner, as described in the contract for covered services; or~~

~~(b) If the performance of one or more covered service has an unsuccessful result with respect to what the performance of that covered service was intended to yield for the homeowner, a showing that every reasonable effort was made, under the particular circumstances, to obtain successful results,~~

~~as verified in a written statement provided to the homeowner.} A person licensed or required to be licensed pursuant to NRS 645F.390 may not request or receive payment of any fee or other compensation from a homeowner until such a person has fully complied with the provisions of the Mortgage Assistance Relief Services Rule, 16 C.F.R. Part 322, and any other applicable federal law or regulation.~~

Sec. 102. NRS 645F.400 is hereby amended to read as follows:

645F.400 1. A person who performs any covered service ~~{—a foreclosure consultant and a loan modification consultant}~~ shall not:

(a) Claim, demand, charge, collect or receive any compensation except in accordance with NRS 645F.394.

(b) Claim, demand, charge, collect or receive any fee, interest or other compensation for any reason which is not fully disclosed to the homeowner.

(c) Take **or acquire, directly or indirectly**, any wage assignment, lien on real or personal property, assignment of a homeowner’s equity ~~{or other}~~, **any** interest in a residence ~~{in foreclosure}~~ or other security for the payment of compensation. Any such **assignment or** security is void and unenforceable.

(d) Receive any consideration from any third party in connection with a covered service provided to a homeowner unless the consideration is first fully disclosed to the homeowner.

~~(e) {Acquire, directly or indirectly, any interest in the residence in foreclosure of a homeowner with whom the foreclosure consultant has contracted to perform a covered service.~~

~~{F}~~ Accept a power of attorney from a homeowner for any purpose, other than to inspect documents as provided by law.

2. In addition to any other penalty, a violation of any provision of this section shall be deemed to constitute mortgage lending fraud for the purposes of NRS 205.372.

Sec. 103. NRS 645F.410 is hereby amended to read as follows:

645F.410 1. In addition to any other remedy or penalty, the Commissioner may, after giving notice and opportunity to be heard, impose

an administrative penalty of not more than ~~[\$10,000 on a foreclosure consultant]~~ **\$25,000 on any person licensed or required to be licensed pursuant to NRS 645F.390** who violates any provision of ~~[NRS 645F.400]~~ **this chapter or any regulation adopted pursuant thereto or any other applicable law.**

2. Except as otherwise provided in this section, all money collected from administrative penalties imposed pursuant to this section must be deposited in the State General Fund.

3. The money collected from an administrative penalty may be deposited with the State Treasurer for credit to the Fund for Mortgage Lending created by NRS 645F.270 if:

(a) The person pays the administrative penalty without exercising the right to a hearing to contest the penalty; or

(b) The administrative penalty is imposed in a hearing conducted by a hearing officer or panel appointed by the Commissioner.

4. The Commissioner may appoint one or more hearing officers or panels and may delegate to those hearing officers or panels the power of the Commissioner to conduct hearings, determine violations and impose the penalties authorized by this section.

5. If money collected from an administrative penalty is deposited in the State General Fund, the Commissioner may present a claim to the State Board of Examiners for recommendation to the Interim Finance Committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 104. NRS 645F.420 is hereby amended to read as follows:

645F.420 1. A homeowner who is injured as a result of a ~~[foreclosure consultant's]~~ **person's** violation of a provision of NRS 645F.400 may bring an action against the ~~[foreclosure consultant]~~ **person** to recover damages caused by the violation, together with reasonable attorney's fees and costs.

2. If the homeowner prevails in the action, the court may award such punitive damages as may be determined by a jury, or by a court sitting without a jury, but in no case may the punitive damages be less than one and one-half times the amount awarded to the homeowner as actual damages.

Sec. 105. NRS 658.210 is hereby amended to read as follows:

658.210 1. ~~[Any]~~ **Except as otherwise provided in section 90 of this act, any** person authorized to engage in activities as a residential mortgage loan originator on behalf of a privately insured institution or organization licensed under title 55 or 56 of NRS shall obtain and maintain a license as a mortgage agent.

2. As used in subsection 1:

(a) "Mortgage agent" has the meaning ascribed to in NRS 645B.0125; and

(b) “Residential mortgage loan originator” has the meaning ascribed to it in NRS 645B.01325.

Sec. 106. NRS 645B.044 is hereby repealed.

Sec. 106.5. 1. The Commissioner shall issue a provisional license as an escrow agency or an escrow agent, as applicable, to a person if, on or before October 1, 2011, the person submits to the Commissioner:

(a) For a provisional license as an escrow agency, proof satisfactory to the Commissioner that the person is a construction control and that the majority of the business conducted by the person is business in which the person serves as a construction control;

(b) For a provisional license as an escrow agent, proof satisfactory to the Commissioner that the person is a natural person who engages in activity related to the business of a construction control on behalf of a construction control who holds a provisional license as an escrow agency or holds a license as an escrow agency;

(c) A complete application for a license as an escrow agency or an escrow agent, as applicable, which complies with the requirements of chapter 645A of NRS, as amended by this act, and all regulations adopted pursuant thereto, accompanied by all other documentation and materials required of an applicant for a license as an escrow agency or an escrow agent, as applicable, by the provisions of chapter 645A of NRS, as amended by this act, and all regulations adopted pursuant thereto, except for regulations adopted pursuant to NRS 645A.021;

(d) For a provisional license as an escrow agency, a bond which complies with the requirements of NRS 645A.041, as amended by section 6 of this act, or a substitute for that bond which complies with the requirements of NRS 645A.042; and

(e) A statement satisfactory to the Commissioner, signed by the person, that the person understands the provisions of this section including, without limitation, the provisions governing the expiration of a provisional license.

2. Upon receipt of documentation and materials from a person pursuant to subsection 1, the Commissioner shall:

(a) Determine whether the person has submitted all documentation and materials required by subsection 1 for a provisional license as an escrow agency or an escrow agent;

(b) If the person has submitted all documentation and materials required by subsection 1 for a provisional license as an escrow agency, issue to the person a provisional license as an escrow agency;

(c) If the person has submitted all documentation and materials required by subsection 1 for a provisional license as an escrow agent, issue to the person a provisional license as an escrow agent; and

(d) Without regard to whether the Commissioner issues a provisional license as an escrow agency or an escrow agent to the person pursuant to paragraph (b) or (c), if the person has submitted all documentation and materials required by paragraph (c) of subsection 1 to apply for a license as an escrow agency or an escrow agent, process the materials as an application for a license as an escrow agency or an escrow agent, as applicable, in accordance with the provisions of chapter 645A of NRS, as amended by this act, and all regulations adopted pursuant thereto. Notwithstanding any provisions of this paragraph to the contrary, if the Commissioner issues a provisional license as an escrow agency or an escrow agent to the person pursuant to paragraph (b) or (c), the Commissioner may cease any processing of the person's application for a license as an escrow agency or an escrow agent, as applicable, upon expiration of the provisional license pursuant to the provisions of this section.

3. Except as otherwise provided in this section, a provisional license as an escrow agency or an escrow agent shall be deemed to be a license as an escrow agency or an escrow agent, as applicable.

4. A provisional license expires automatically:

(a) Notwithstanding the provisions of subsection 7, upon receipt by the person of written notice from the Commissioner that the Commissioner has denied, for any reason, the person's application for a license as an escrow agency or an escrow agent, as applicable;

(b) Upon the issuance to the person by the Commissioner of a license as an escrow agency or an escrow agent, as applicable;

(c) Ninety days after the date of issuance of the provisional license if the holder of the provisional license:

(1) Is a natural person who is required by NRS 645A.021 and any regulations adopted pursuant thereto to complete educational prerequisites to obtain a license as an escrow agency or an escrow agent, as applicable;

(2) Has not completed the educational prerequisites specified in subparagraph (1) as required for an applicant for a license as an escrow agency or an escrow agent, as applicable; and

(3) Has not requested, or the Commissioner has denied a request by the holder for, an extension of the time for completion of the educational prerequisites specified in this paragraph; or

(d) On December 31, 2011, if the holder of the provisional license has not requested, or the Commissioner has denied a request by the holder for, an extension of the expiration date set forth in this paragraph.

5. A request for an extension pursuant to subparagraph (3) of paragraph (c) of subsection 4 or paragraph (d) of subsection 4 must set forth reasons which would support a finding by the Commissioner of good cause to grant the extension. The Commissioner may grant such a request for an extension

only upon a finding by the Commissioner that good cause exists to grant such an extension.

6. The Commissioner shall not issue a provisional license to a person who submits the documentation and materials required by subsection 1 for a provisional license after October 1, 2011.

7. A provisional license issued by the Commissioner before July 1, 2011:

- (a) Is effective on July 1, 2011; and
- (b) Shall be deemed to have been issued on July 1, 2011.

8. As used in this section:

- (a) "Commissioner" has the meaning ascribed to it in NRS 645A.010.
- (b) "Construction control" has the meaning ascribed to it in NRS 627.050.
- (c) "License" means a license as an escrow agency or an escrow agent, as applicable, issued pursuant to the provisions of chapter 645A of NRS, as amended by this act, and all regulations adopted pursuant thereto.

(d) "Provisional license" means a provisional license as an escrow agency or an escrow agent, as applicable, issued pursuant to the provisions of this section.

Sec. 107. This act becomes effective:

- 1. Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and
- 2. On July 1, 2011, for all other purposes.

TEXT OF REPEALED SECTION

645B.044 Mortgage broker may deposit substitute form of security in lieu of security bond; amount deposited must equal amount of bond; interest or dividends accrue to depositor.

1. As a substitute for the surety bond required by NRS 645B.042, a mortgage broker may, in accordance with the provisions of this section, deposit with any bank or trust company authorized to do business in this State, in a form approved by the Commissioner:

(a) An obligation of a bank, savings and loan association, thrift company or credit union licensed to do business in this State;

(b) Bills, bonds, notes, debentures or other obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States; or

(c) Any obligation of this State or any city, county, town, township, school district or other instrumentality of this State, or guaranteed by this State.

2. The obligations of a bank, savings and loan association, thrift company or credit union must be held to secure the same obligation as would the surety bond. With the approval of the Commissioner, the depositor may

substitute other suitable obligations for those deposited which must be assigned to the State of Nevada and are negotiable only upon approval by the Commissioner.

3. Any interest or dividends earned on the deposit accrue to the account of the depositor.

4. The deposit must be in an amount at least equal to the required surety bond and must state that the amount may not be withdrawn except by direct and sole order of the Commissioner. The value of any item deposited pursuant to this section must be based upon principal amount or market value, whichever is lower.

Assemblyman Atkinson moved that the Assembly do not concur in the Senate Amendment No. 617 to Assembly Bill No. 77.

Remarks by Assemblyman Atkinson.

Motion carried.

The following Senate amendment was read:

Amendment No. 772.

Legislative Counsel's Digest:

Existing law governs the conduct of escrow agents and escrow agencies and requires the Commissioner of Mortgage Lending to supervise and control the conduct of escrow agents and escrow agencies within this State. (Chapter 645A of NRS) **Section 3.5** of this bill includes the performance of the services of a construction control within the definition of escrow. **Sections 4 and 5** of this bill revise provisions relating to the licensing of escrow agents and escrow agencies. **Section 6** of this bill revises provisions relating to the surety bond posted by an escrow agency. **Sections 8 and 9** of this bill revise provisions relating to the fees and costs relating to escrow agents and escrow agencies that the Commissioner is authorized to collect. **Sections 2 and 10-12** of this bill revise provisions relating to discipline for activities relating to escrow agents and escrow agencies.

Existing law governs the conduct of mortgage agents and mortgage brokers and requires the Commissioner of Mortgage Lending to supervise and control the conduct of mortgage agents and mortgage brokers within this State. (Chapter 645B of NRS) **Sections 21, 22, 24, 25, 34 and 37** of this bill establish provisions governing the arranging or servicing of loans by a mortgage broker in which an investor has an interest. **Section 44** of this bill revises the exemptions from the statutes governing mortgage agents and mortgage brokers. **Sections 47 and 48** of this bill revise provisions relating to a surety bond posted by a mortgage broker. **Section 53** of this bill authorizes the Commissioner to disclose certain confidential information relating to an investigation. **Section 56** of this bill requires a mortgage broker to review an impound trust account annually.

Existing law governs the conduct of mortgage bankers and requires the Commissioner of Mortgage Lending to supervise and control the conduct of mortgage bankers within this State. (Chapter 645E of NRS) **Section 72** of this bill revises the exemptions from the statutes governing mortgage bankers. **Section 81** of this bill authorizes the Commissioner to disclose certain confidential information relating to an investigation.

Existing law requires the Commissioner to adopt regulations concerning the licensing of persons who provide certain covered services. (NRS 645F.390) **Section 96** of this bill includes additional services within the definition of “covered services.” **Section 101** of this bill revises provisions governing the compensation a provider of covered services may receive. ~~[Existing law exempts an attorney at law from the requirements concerning the licensing of persons who provide covered services for compensation, but section 98 of this bill specifically provides that an attorney at law is subject to the provisions of section 88.5 of this bill, which prohibit a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant from requesting or receiving any compensation before a homeowner executes a written agreement that incorporates an offer of mortgage assistance.]~~

Sections 42, 45, 46, 50-55, 59, 60, 62-64, 67, 69, 73, 76, 79-82 and 99 of this bill enact or revise provisions to implement the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008.

Section 87 of Assembly Bill No. 77 is hereby amended as follows:

Sec. 87. Chapter 645F of NRS is hereby amended by adding thereto the provisions set forth as sections 88 ~~[, 88.5]~~ and 90 of this act.

Section 88.5 of Assembly Bill No. 77 is hereby amended as follows:

Sec. 88.5. **(Deleted by amendment.)**

Section 95 of Assembly Bill No. 77 is hereby amended as follows:

Sec. 95. NRS 645F.300 is hereby amended to read as follows:

645F.300 As used in NRS 645F.300 to 645F.450, inclusive, *and ~~[sections]~~ section 88 ~~[and 88.5]~~ of this act*, unless the context otherwise requires, the words and terms defined in NRS 645F.310 to 645F.370, inclusive, *and section 88 of this act* have the meanings ascribed to them in those sections.

Section 98 of Assembly Bill No. 77 is hereby amended as follows:

Sec. 98. NRS 645F.380 is hereby amended to read as follows:

645F.380 The

~~[1. Except as otherwise provided in subsection 2, the]~~ provisions of NRS 645F.300 to 645F.450, inclusive, *and ~~[sections]~~ section 88 ~~[and 88.5]~~ of this act* do not apply to, and the terms “foreclosure consultant” and “foreclosure purchaser” do not include:

1. ~~1.(a)~~ An attorney at law rendering services in the performance of his or her duties as an attorney at law, unless the attorney at law is rendering those services in the course and scope of his or her employment by or other affiliation with a ~~[mortgage broker or mortgage agent,]~~ **person who is licensed or required to be licensed pursuant to NRS 645F.390;**

2. ~~1.(b)~~ A provider of debt-management services registered pursuant to chapter 676A of NRS while providing debt-management services pursuant to chapter 676A of NRS;

3. ~~1.(c)~~ A person or the authorized agent of a person acting under the provisions of a program sponsored by the Federal Government, this State or a local government, including, without limitation, the Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Federal Home Loan Bank ~~[-]~~ **System;**

4. ~~1.(d)~~ A person who holds or is owed an obligation secured by a mortgage or other lien on a residence in foreclosure if the person performs services in connection with this obligation or lien and the obligation or lien did not arise as the result of or as part of a proposed foreclosure reconveyance;

5. ~~1.(e)~~ Any person doing business under the laws of this State or of the United States relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee which is a United States Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of those persons, and any agent or employee of those persons while engaged in the business of those persons;

6. ~~1.(f)~~ A person, other than a person who is licensed pursuant to NRS 645F.390, who is licensed pursuant to chapter 692A or any chapter of title 54 of NRS while acting under the authority of the license;

7. ~~1.(g)~~ A nonprofit agency or organization that offers credit counseling or advice to a homeowner of a residence in foreclosure or a person in default on a loan; or

8. ~~1.(h)~~ A judgment creditor of the homeowner whose claim accrued before the recording of the notice of the pendency of an action for foreclosure against the homeowner pursuant to NRS 14.010 or the recording of the notice of default and election to sell pursuant to NRS 107.080.

~~12.—The provisions of section 88.5 of this act apply to an attorney at law who renders services in the performance of his or her duties as an attorney at law regardless of whether the attorney at law renders those services in the course and scope of his or her employment by or other affiliation with a person who is licensed or required to be licensed pursuant to NRS 645F.390.]~~

Assemblyman Atkinson moved that the Assembly do not concur in the Senate Amendment No. 772 to Assembly Bill No. 77.

Remarks by Assemblyman Atkinson.

Motion carried.

Bill ordered transmitted to the Senate.

Assembly Bill No. 199.

The following Senate amendment was read:

Amendment No. 658.

AN ACT relating to the practice of pharmacy; revising provisions governing the authority of a registered pharmacist to collaborate with a practitioner for the implementation, monitoring and modification of drug therapy; authorizing the State Board of Pharmacy to establish regulations relating to collaborative pharmacy practice; **revising provisions governing the use of the letters “Rx” and “RX” by certain persons; revising provisions relating to the authority of a registered pharmacist to possess and administer controlled substances and dangerous drugs under certain circumstances;** providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes a registered pharmacist to collaborate with a practitioner to engage in the implementation and modification of drug therapy for a patient at a licensed medical facility or licensed pharmacy. (NRS 639.0124) **Section 1** of this bill prescribes requirements for written guidelines and protocols which must be developed by a pharmacist who collaborates with a practitioner and requires those guidelines and protocols to be approved by the State Board of Pharmacy. **Section 1** also authorizes the written guidelines and protocols to set forth provisions for a pharmacist to implement, monitor and modify the drug therapy of a patient in **a medical facility or a setting [other than] that is affiliated with a licensed medical facility . [for licensed pharmacy.] Sections 10.3 and 10.7 of this bill revise the authority of a pharmacist to possess and administer controlled substances and dangerous drugs under certain circumstances for the care of a patient in accordance with the written guidelines and protocols developed pursuant to section 1.**

Existing law prohibits a person operating a business from using the letters “Rx” or “RX” if the person does not have a license from the Board. (NRS 639.230) Section 10 of this bill authorizes persons who are not subject to the laws governing the practice of pharmacy to use those letters if the person obtains approval from the Board.

A person who violates any provision of chapter 639 of NRS governing pharmacists and pharmacies, including any provision of this bill, is guilty of a misdemeanor. (NRS 639.310)

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

Section 1. Chapter 639 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Written guidelines and protocols developed by a registered pharmacist in collaboration with a practitioner which authorize the implementation, monitoring and modification of drug therapy:

(a) May authorize a pharmacist to order and use the findings of laboratory tests and examinations.

(b) May provide for implementation, monitoring and modification of drug therapy for a patient receiving care ~~from~~ :

(1) In a licensed medical facility ~~;~~ or ~~from~~

(2) If developed to ensure continuity of care for a patient, in any setting ~~outside~~ that is affiliated with a medical facility where the patient is receiving care. A pharmacist who modifies a drug therapy of a patient receiving care in a setting that is affiliated with a medical facility shall, within 72 hours after implementing or modifying the drug therapy, provide written notice of the implementation or modification of the drug therapy to the collaborating practitioner or enter the appropriate information concerning the drug therapy in an electronic patient record system shared by the pharmacist and the collaborating practitioner.

(c) Must state the conditions under which a prescription of a practitioner relating to the drug therapy of a patient may be changed by the pharmacist without a subsequent prescription from the practitioner.

(d) Must be approved by the Board.

2. The Board may adopt regulations which:

(a) Prescribe additional requirements for written guidelines and protocols developed pursuant to this section; and

(b) Set forth the process for obtaining the approval of the Board of such written guidelines and protocols.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. NRS 639.0124 is hereby amended to read as follows:

639.0124 “Practice of pharmacy” includes, but is not limited to, the:

1. Performance or supervision of activities associated with manufacturing, compounding, labeling, dispensing and distributing of a drug, including the receipt, handling and storage of prescriptions and other confidential information relating to patients.
2. Interpretation and evaluation of prescriptions or orders for medicine.
3. Participation in drug evaluation and drug research.
4. Advising of the therapeutic value, reaction, drug interaction, hazard and use of a drug.
5. Selection of the source, storage and distribution of a drug.
6. Maintenance of proper documentation of the source, storage and distribution of a drug.
7. Interpretation of clinical data contained in a person’s record of medication.
8. Development of written guidelines and protocols in collaboration with a practitioner which are intended for a patient in a licensed medical facility ~~or in a setting outside~~ ***that is affiliated with a medical facility where the patient is receiving care*** and ***which*** authorize the implementation, monitoring and modification of drug therapy. The written guidelines and protocols ~~[may authorize a pharmacist to order and use the findings of laboratory tests and examinations.]~~ ***must comply with section 1 of this act.***
9. Implementation and modification of drug therapy in accordance with the authorization of the prescribing practitioner for a patient in a pharmacy in which drugs, controlled substances, poisons, medicines or chemicals are sold at retail.

↪ The term does not include the changing of a prescription by a pharmacist or practitioner without the consent of the prescribing practitioner, except as otherwise provided in NRS 639.2583.

Sec. 10. NRS 639.230 is hereby amended to read as follows:

639.230 1. A person operating a business in this State shall not use ~~the letters “Rx” or “RX” or~~ the word “drug” or “drugs,” “prescription” or “pharmacy,” or similar words or words of similar import, without first having secured a license from the Board. **A person operating a business in this State which is not otherwise subject to the provisions of this chapter shall not use the letters “Rx” or “RX” without the approval of the Board. The Board must not unreasonably deny approval of the use of the letters “Rx” or “RX” by any person but may deny approval upon a determination that:**

(a) The person is subject to the provisions of this chapter but has not secured a license from the Board; or

(b) The use of the letters “Rx” or “RX” by the person is confusing or misleading to or threatens the health or safety of the residents of this State.

2. Each license must be issued to a specific person and for a specific location and is not transferable. The original license must be displayed on the licensed premises as provided in NRS 639.150. The original license and the fee required for reissuance of a license must be submitted to the Board before the reissuance of the license.

3. If the owner of a pharmacy is a partnership or corporation, any change of partners or corporate officers must be reported to the Board at such a time as is required by a regulation of the Board.

4. Except as otherwise provided in subsection 6, in addition to the requirements for renewal set forth in NRS 639.180, every person holding a license to operate a pharmacy must satisfy the Board that the pharmacy is conducted according to law.

5. Any violation of any of the provisions of this chapter by a managing pharmacist or by personnel of the pharmacy under the supervision of the managing pharmacist is cause for the suspension or revocation of the license of the pharmacy by the Board.

6. The provisions of this section do not prohibit ~~the~~ :

(a) A Canadian pharmacy which is licensed by the Board and which has been recommended by the Board pursuant to subsection 4 of NRS 639.2328 for inclusion on the Internet website established and maintained pursuant to subsection 9 of NRS 223.560 from providing prescription drugs through mail order service to residents of Nevada in the manner set forth in NRS 639.2328 to 639.23286, inclusive ~~the~~ ; *or*

(b) *A registered pharmacist or practitioner from collaborating in the implementation, monitoring and modification of drug therapy pursuant to guidelines and protocols approved by the Board.*

Sec. 10.3. NRS 453.026 is hereby amended to read as follows:

453.026 "Agent" means a pharmacist ~~the~~ *who cares for a patient of a prescribing practitioner in a medical facility or in a setting that is affiliated with a medical facility where the patient is receiving care in accordance with written guidelines and protocols developed and approved pursuant to section 1 of this act, a* licensed practical nurse or registered nurse who cares for a patient of a prescribing practitioner in a medical facility or an authorized person who acts on behalf of or at the direction of and is employed by a manufacturer, distributor, dispenser or prescribing practitioner. The term does not include a common or contract carrier, public warehouseman or employee of the carrier or warehouseman.

Sec. 10.7. NRS 454.213 is hereby amended to read as follows:

454.213 A drug or medicine referred to in NRS 454.181 to 454.371, inclusive, may be possessed and administered by:

1. A practitioner.

2. A physician assistant licensed pursuant to chapter 630 or 633 of NRS, at the direction of his or her supervising physician or a licensed dental hygienist acting in the office of and under the supervision of a dentist.

3. Except as otherwise provided in subsection 4, a registered nurse licensed to practice professional nursing or licensed practical nurse, at the direction of a prescribing physician, physician assistant licensed pursuant to chapter 630 or 633 of NRS, dentist, podiatric physician or advanced practitioner of nursing, or pursuant to a chart order, for administration to a patient at another location.

4. In accordance with applicable regulations of the Board, a registered nurse licensed to practice professional nursing or licensed practical nurse who is:

(a) Employed by a health care agency or health care facility that is authorized to provide emergency care, or to respond to the immediate needs of a patient, in the residence of the patient; and

(b) Acting under the direction of the medical director of that agency or facility who works in this State.

5. Except as otherwise provided in subsection 6, an intermediate emergency medical technician or an advanced emergency medical technician, as authorized by regulation of the State Board of Pharmacy and in accordance with any applicable regulations of:

(a) The State Board of Health in a county whose population is less than 100,000;

(b) A county board of health in a county whose population is 100,000 or more; or

(c) A district board of health created pursuant to NRS 439.362 or 439.370 in any county.

6. An intermediate emergency medical technician or an advanced emergency medical technician who holds an endorsement issued pursuant to NRS 450B.1975, under the direct supervision of a local health officer or a designee of the local health officer pursuant to that section.

7. A respiratory therapist employed in a health care facility. The therapist may possess and administer respiratory products only at the direction of a physician.

8. A dialysis technician, under the direction or supervision of a physician or registered nurse only if the drug or medicine is used for the process of renal dialysis.

9. A medical student or student nurse in the course of his or her studies at an approved college of medicine or school of professional or practical nursing, at the direction of a physician and:

(a) In the presence of a physician or a registered nurse; or

(b) Under the supervision of a physician or a registered nurse if the student is authorized by the college or school to administer the drug or medicine outside the presence of a physician or nurse.

➡ A medical student or student nurse may administer a dangerous drug in the presence or under the supervision of a registered nurse alone only if the circumstances are such that the registered nurse would be authorized to administer it personally.

10. Any person designated by the head of a correctional institution.

11. An ultimate user or any person designated by the ultimate user pursuant to a written agreement.

12. A nuclear medicine technologist, at the direction of a physician and in accordance with any conditions established by regulation of the Board.

13. A radiologic technologist, at the direction of a physician and in accordance with any conditions established by regulation of the Board.

14. A chiropractic physician, but only if the drug or medicine is a topical drug used for cooling and stretching external tissue during therapeutic treatments.

15. A physical therapist, but only if the drug or medicine is a topical drug which is:

(a) Used for cooling and stretching external tissue during therapeutic treatments; and

(b) Prescribed by a licensed physician for:

(1) Iontophoresis; or

(2) The transmission of drugs through the skin using ultrasound.

16. In accordance with applicable regulations of the State Board of Health, an employee of a residential facility for groups, as defined in NRS 449.017, pursuant to a written agreement entered into by the ultimate user.

17. A veterinary technician at the direction of his or her supervising veterinarian.

18. In accordance with applicable regulations of the Board, a registered pharmacist who:

(a) Is trained in and certified to carry out standards and practices for immunization programs;

(b) Is authorized to administer immunizations pursuant to written protocols from a physician; and

(c) Administers immunizations in compliance with the "Standards of Immunization Practices" recommended and approved by the United States Public Health Service Advisory Committee on Immunization Practices.

19. **A registered pharmacist pursuant to written guidelines and protocols developed and approved pursuant to section 1 of this act.**

20. A person who is enrolled in a training program to become a physician assistant licensed pursuant to chapter 630 or 633 of NRS, dental

hygienist, intermediate emergency medical technician, advanced emergency medical technician, respiratory therapist, dialysis technician, nuclear medicine technologist, radiologic technologist, physical therapist or veterinary technician if the person possesses and administers the drug or medicine in the same manner and under the same conditions that apply, respectively, to a physician assistant licensed pursuant to chapter 630 or 633 of NRS, dental hygienist, intermediate emergency medical technician, advanced emergency medical technician, respiratory therapist, dialysis technician, nuclear medicine technologist, radiologic technologist, physical therapist or veterinary technician who may possess and administer the drug or medicine, and under the direct supervision of a person licensed or registered to perform the respective medical art or a supervisor of such a person.

Sec. 11. This act becomes effective upon passage and approval for the purpose of adopting regulations and on October 1, 2011, for all other purposes.

Assemblyman Atkinson moved that the Assembly concur in the Senate Amendment No. 658 to Assembly Bill No. 199.

Remarks by Assemblyman Atkinson.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 273.

The following Senate amendment was read:

Amendment No. 679.

AN ACT relating to real property; revising provisions governing the amount which a person holding a junior lien on real property may recover in a civil action under certain circumstances; prohibiting certain persons holding a junior lien on certain residential property from bringing a civil action under certain circumstances; revising provisions governing the amount of a deficiency judgment after the foreclosure of a mortgage or a deed of trust; limiting the amount of certain judgments against guarantors, sureties or other obligors of obligations secured by real property under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a judgment creditor or a beneficiary of a deed of trust may obtain, after a hearing, a deficiency judgment after a foreclosure sale or trustee's sale if it appears from the sheriff's return or the recital of consideration in the trustee's deed that there is a deficiency of the proceeds of the sale and a balance remaining due the judgment creditor or beneficiary of the deed of trust. Existing law requires a judgment creditor or beneficiary of a deed of trust to bring an action for such a deficiency judgment within 6

months after the foreclosure sale or trustee's sale. For an obligation secured by a mortgage or deed of trust on or after October 1, 2009, a court may not award a deficiency judgment to the judgment creditor or the beneficiary of the deed of trust if: (1) the creditor or beneficiary is a financial institution; (2) the real property is a single-family dwelling and the debtor or grantor was the owner of the property; (3) the debtor or grantor used the loan to purchase the property; (4) the debtor or grantor occupied the property continuously after obtaining the loan; and (5) the debtor or grantor did not refinance the loan. (NRS 40.455)

Sections 3, 3.3 and 5.7 of this bill enact similar provisions to govern deficiency judgments sought by junior lienholders after a foreclosure sale, a trustee's sale or any sale or deed in lieu of a foreclosure sale or trustee's sale. **Section 3** provides that, if the circumstances prohibiting a deficiency judgment after a foreclosure sale or trustee's sale under current law exist with respect to a junior lienholder, the creditor may not bring a civil action to recover the debt owed to it after a foreclosure sale, a trustee's sale or a sale or deed in lieu of a foreclosure sale or trustee's sale.

Existing law authorizes a creditor under an obligation secured by a junior mortgage or deed of trust to bring an action to obtain a personal judgment against the debtor only if the action is commenced within 6 years after the date of the debtor's default. (NRS 11.190) Under **sections 3.3 and 5.7** of this bill, if the real property securing such an obligation is the subject of a foreclosure sale, a trustee's sale or a sale or deed in lieu of such a sale, the creditor may bring an action to obtain a personal judgment against the debtor only if the action is brought within 6 months after the foreclosure sale, the trustee's sale or the sale in lieu of a foreclosure sale or trustee's sale.

Under existing law, the amount of a deficiency judgment after a foreclosure sale or a trustee's sale may not exceed the lesser of: (1) the amount of the indebtedness minus the fair market value of the foreclosed property at the time of the sale; or (2) the amount of the indebtedness minus the amount for which the foreclosed property actually sold. (NRS 40.459) **Section 5** of this bill provides that, for a deficiency judgment sought by a secured creditor after a foreclosure sale, trustee's sale or sale in lieu of a foreclosure sale or trustee's sale, the amount of the deficiency judgment must be reduced by the amount of any insurance proceeds received by, or payable to, the creditor. **Section 2** of this bill enacts a corresponding provision for money judgments sought against a debtor by a junior lienholder after a foreclosure sale, a trustee's sale or a sale or deed in lieu of a foreclosure sale or trustee's sale.

Sections 2 and 5 also limit the recovery of a creditor who acquired the right to obtain payment for an obligation secured by the real property from another person who owned that obligation. If the creditor is seeking a

deficiency judgment after a foreclosure sale, a trustee's sale or a sale in lieu of a foreclosure sale or trustee's sale, **section 5** provides that the creditor may not receive an amount which exceeds the lesser of: (1) the consideration paid for the obligation minus the fair market value of the property at the time of the foreclosure sale, with interest from the date of sale and reasonable costs; or (2) the consideration paid for the obligation minus the amount for which the property actually sold, with interest from the date of sale and reasonable costs. If the creditor is a junior lienholder who filed a civil action to obtain a money judgment against the debtor, **section 2** provides that the creditor may not receive an amount greater than the consideration paid for the obligation, with interest from the date on which the person acquired the right to obtain payment and reasonable costs.

Section 5.5 of this bill limits the amount of a judgment against a guarantor, surety or other obligor, other than a mortgagor or grantor of a deed of trust, in an action commenced before a foreclosure sale or trustee's sale to enforce the obligation to pay, satisfy or purchase all or part of an obligation secured by a mortgage or other lien on real property. Under **section 5.5**, the amount of the judgment may not exceed the lesser of: (1) the amount of the indebtedness minus the fair market value of the real property at the time of the commencement of the action; or (2) if a foreclosure sale or a trustee's sale is completed before the date on which judgment is entered, the amount of the indebtedness minus the amount for which the foreclosed property actually sold.

Section 6 of this bill provides that the amendatory provisions of ~~this bill~~ : **(1) sections 1-3** apply only prospectively to obligations secured by a mortgage, deed of trust or other encumbrance upon real property on or after the effective date of this bill ~~1-3~~ ; **(2) sections 3.3 and 5.7 apply only to an action commenced after a foreclosure sale or sale in lieu of a foreclosure sale that occurs on or after July 1, 2011; and (3) section 5.5 apply only to an action against a guarantor, surety or other obligor commenced on or after the effective date of this bill. Under section 7 of this bill, the amendatory provisions of section 5 become effective upon passage and approval and thus apply to a deficiency judgment awarded on or after that effective date.**

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

Section 1. Chapter 40 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.2 to 3.3, inclusive, of this act.

Sec. 1.2. *As used in sections 1.2 to 3.3, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 1.4, 1.6 and 1.8 of this act have the meanings ascribed to them in those sections.*

Sec. 1.4. *“Foreclosure sale” has the meaning ascribed to it in NRS 40.462.*

Sec. 1.6. *“Mortgage or other lien” has the meaning ascribed to it in NRS 40.433.*

Sec. 1.8. *“Sale in lieu of a foreclosure sale” means a sale of real property pursuant to an agreement between a person to whom an obligation secured by a mortgage or other lien on real property is owed and the debtor of that obligation in which the sales price of the real property is insufficient to pay the full outstanding balance of the obligation and the costs of the sale. The term includes, without limitation, a deed in lieu of a foreclosure sale.*

Sec. 2. 1. *If a person to whom an obligation secured by a junior mortgage or lien on real property is owed:*

(a) Files a civil action to obtain a money judgment against the debtor under that obligation after a foreclosure sale or a sale in lieu of a foreclosure sale; and

(b) Such action is not barred by NRS 40.430,
↪ in determining the amount owed by the debtor, the court shall not include the amount of any proceeds received by, or payable to, the person pursuant to an insurance policy to compensate the person for losses incurred with respect to the property or the default on the obligation.

2. *If:*

(a) A person acquired the right to enforce an obligation secured by a junior mortgage or lien on real property from a person who previously held that right;

(b) The person files a civil action to obtain a money judgment against the debtor after a foreclosure sale or a sale in lieu of a foreclosure sale; and

(c) Such action is not barred by NRS 40.430,
↪ the court shall not render judgment for more than the amount of the consideration paid for that right, plus interest from the date on which the person acquired the right and reasonable costs.

3. *As used in this section, “obligation secured by a junior mortgage or lien on real property” includes, without limitation, an obligation which is not currently secured by a mortgage or lien on real property if the obligation:*

(a) Is incurred by the debtor under an obligation which was secured by a mortgage or lien on real property; and

(b) Has the effect of reaffirming the obligation which was secured by a mortgage or lien on real property.

Sec. 3. 1. *A person to whom an obligation secured by a junior mortgage or lien on real property is owed may not bring any action to*

enforce that obligation after a foreclosure sale of the real property which secured that obligation or a sale in lieu of a foreclosure sale if:

- (a) The person is a financial institution;*
- (b) The real property which secured the obligation is a single-family dwelling and the debtor or grantor was the owner of the real property at the time of the foreclosure sale or sale in lieu of a foreclosure sale;*
- (c) The debtor or grantor used the amount of the obligation to purchase the real property;*
- (d) The debtor or grantor continuously occupied the real property as the debtor's or grantor's principal residence after securing the obligation; and*
- (e) The debtor or grantor did not refinance the obligation after securing it.*

2. As used in this section, "financial institution" has the meaning ascribed to it in NRS 363A.050.

Sec. 3.3. A civil action not barred by NRS 40.430 or section 3 of this act by a person to whom an obligation secured by a junior mortgage or lien on real property is owed to obtain a money judgment against the debtor after a foreclosure sale of the real property or a sale in lieu of a foreclosure sale may only be commenced within 6 months after the date of the foreclosure sale or sale in lieu of a foreclosure.

Sec. 4. (Deleted by amendment.)

Sec. 5. NRS 40.459 is hereby amended to read as follows:

40.459 1. After the hearing, the court shall award a money judgment against the debtor, guarantor or surety who is personally liable for the debt. The court shall not render judgment for more than:

~~1-1~~ (a) The amount by which the amount of the indebtedness which was secured exceeds the fair market value of the property sold at the time of the sale, with interest from the date of the sale; ~~for~~

~~2-1~~ (b) The amount which is the difference between the amount for which the property was actually sold and the amount of the indebtedness which was secured, with interest from the date of sale ~~1-1~~; or

(c) If the person seeking the judgment acquired the right to obtain the judgment from a person who previously held that right, the amount by which the amount of the consideration paid for that right exceeds the fair market value of the property sold at the time of sale or the amount for which the property was actually sold, whichever is greater, with interest from the date of sale and reasonable costs,

↪ whichever is the lesser amount.

2. For the purposes of this section, the "amount of the indebtedness" does not include any amount received by, or payable to, the judgment creditor or beneficiary of the deed of trust pursuant to an insurance policy

to compensate the judgment creditor or beneficiary for any losses incurred with respect to the property or the default on the debt.

Sec. 5.5. NRS 40.495 is hereby amended to read as follows:

40.495 1. The provisions of NRS 40.475 and 40.485 may be waived by the guarantor, surety or other obligor only after default.

2. Except as otherwise provided in subsection ~~[4.]~~ 5, a guarantor, surety or other obligor, other than the mortgagor or grantor of a deed of trust, may waive the provisions of NRS 40.430. If a guarantor, surety or other obligor waives the provisions of NRS 40.430, an action for the enforcement of that person's obligation to pay, satisfy or purchase all or part of an indebtedness or obligation secured by a mortgage or lien upon real property may be maintained separately and independently from:

- (a) An action on the debt;
- (b) The exercise of any power of sale;
- (c) Any action to foreclose or otherwise enforce a mortgage or lien and the indebtedness or obligations secured thereby; and
- (d) Any other proceeding against a mortgagor or grantor of a deed of trust.

3. If the obligee maintains an action to foreclose or otherwise enforce a mortgage or lien and the indebtedness or obligations secured thereby, the guarantor, surety or other obligor may assert any legal or equitable defenses provided pursuant to the provisions of NRS 40.451 to 40.463, inclusive.

4. *If, before a foreclosure sale of real property, the obligee commences an action against a guarantor, surety or other obligor, other than the mortgagor or grantor of a deed of trust, to enforce an obligation to pay, satisfy or purchase all or part of an indebtedness or obligation secured by a mortgage or lien upon the real property ~~for the court~~*

~~(a) Must~~ :

(a) The court must hold a hearing and take evidence presented by either party concerning the fair market value of the property as of the date of the commencement of the action. Notice of such hearing must be served upon all defendants who have appeared in the action and against whom a judgment is sought, or upon their attorneys of record, at least 15 days before the date set for the hearing.

(b) After the hearing, if the court ~~shall award~~ awards a money judgment against the debtor, guarantor or surety who is personally liable for the debt ~~for the debt~~, the court must not render judgment for more than:

(1) The amount by which the amount of the indebtedness exceeds the fair market value of the property as of the date of the commencement of the action; or

(2) If a foreclosure sale is concluded before a judgment is entered, the amount that is the difference between the amount for which the property was actually sold and the amount of the indebtedness which was secured,

↪ *whichever is the lesser amount.*

5. The provisions of NRS 40.430 may not be waived by a guarantor, surety or other obligor if the mortgage or lien:

(a) Secures an indebtedness for which the principal balance of the obligation was never greater than \$500,000;

(b) Secures an indebtedness to a seller of real property for which the obligation was originally extended to the seller for any portion of the purchase price;

(c) Is secured by real property which is used primarily for the production of farm products as of the date the mortgage or lien upon the real property is created; or

(d) Is secured by real property upon which:

(1) The owner maintains the owner's principal residence;

(2) There is not more than one residential structure; and

(3) Not more than four families reside.

6. As used in this section, "foreclosure sale" has the meaning *ascribed to it in NRS 40.462*.

Sec. 5.7. NRS 11.190 is hereby amended to read as follows:

11.190 Except as otherwise provided in NRS 125B.050 and 217.007, **and section 3.3 of this act**, actions other than those for the recovery of real property, unless further limited by specific statute, may only be commenced as follows:

1. Within 6 years:

(a) An action upon a judgment or decree of any court of the United States, or of any state or territory within the United States, or the renewal thereof.

(b) An action upon a contract, obligation or liability founded upon an instrument in writing, except those mentioned in the preceding sections of this chapter.

2. Within 4 years:

(a) An action on an open account for goods, wares and merchandise sold and delivered.

(b) An action for any article charged on an account in a store.

(c) An action upon a contract, obligation or liability not founded upon an instrument in writing.

(d) An action against a person alleged to have committed a deceptive trade practice in violation of NRS 598.0903 to 598.0999, inclusive, but the cause of action shall be deemed to accrue when the aggrieved party discovers, or by the exercise of due diligence should have discovered, the facts constituting the deceptive trade practice.

3. Within 3 years:

(a) An action upon a liability created by statute, other than a penalty or forfeiture.

(b) An action for waste or trespass of real property, but when the waste or trespass is committed by means of underground works upon any mining claim, the cause of action shall be deemed to accrue upon the discovery by the aggrieved party of the facts constituting the waste or trespass.

(c) An action for taking, detaining or injuring personal property, including actions for specific recovery thereof, but in all cases where the subject of the action is a domestic animal usually included in the term "livestock," which has a recorded mark or brand upon it at the time of its loss, and which strays or is stolen from the true owner without the owner's fault, the statute does not begin to run against an action for the recovery of the animal until the owner has actual knowledge of such facts as would put a reasonable person upon inquiry as to the possession thereof by the defendant.

(d) Except as otherwise provided in NRS 112.230 and 166.170, an action for relief on the ground of fraud or mistake, but the cause of action in such a case shall be deemed to accrue upon the discovery by the aggrieved party of the facts constituting the fraud or mistake.

(e) An action pursuant to NRS 40.750 for damages sustained by a financial institution or other lender because of its reliance on certain fraudulent conduct of a borrower, but the cause of action in such a case shall be deemed to accrue upon the discovery by the financial institution or other lender of the facts constituting the concealment or false statement.

4. Within 2 years:

(a) An action against a sheriff, coroner or constable upon liability incurred by acting in his or her official capacity and in virtue of his or her office, or by the omission of an official duty, including the nonpayment of money collected upon an execution.

(b) An action upon a statute for a penalty or forfeiture, where the action is given to a person or the State, or both, except when the statute imposing it prescribes a different limitation.

(c) An action for libel, slander, assault, battery, false imprisonment or seduction.

(d) An action against a sheriff or other officer for the escape of a prisoner arrested or imprisoned on civil process.

(e) Except as otherwise provided in NRS 11.215, an action to recover damages for injuries to a person or for the death of a person caused by the wrongful act or neglect of another. The provisions of this paragraph relating to an action to recover damages for injuries to a person apply only to causes of action which accrue after March 20, 1951.

(f) An action to recover damages under NRS 41.740.

5. Within 1 year:

(a) An action against an officer, or officer de facto to recover goods, wares, merchandise or other property seized by the officer in his or her

official capacity, as tax collector, or to recover the price or value of goods, wares, merchandise or other personal property so seized, or for damages for the seizure, detention or sale of, or injury to, goods, wares, merchandise or other personal property seized, or for damages done to any person or property in making the seizure.

(b) An action against an officer, or officer de facto for money paid to the officer under protest, or seized by the officer in his or her official capacity, as a collector of taxes, and which, it is claimed, ought to be refunded.

Sec. 6. The amendatory provisions of :

1. Sections 1 to 3, inclusive, of this act apply only to an obligation secured by a mortgage, deed of trust or other encumbrance upon real property on or after the effective date of this act.

2. Sections 3.3 and 5.7 of this act apply only to an action commenced after a foreclosure sale or sale in lieu of a foreclosure sale that occurs on or after July 1, 2011.

3. Section 5.5 of this act apply only to an action against a guarantor, surety or other obligor commenced on or after the effective date of this act.

Sec. 7. 1. This **section and sections 1 to 3, inclusive, 5, 5.5 and 6 of this act** ~~becomes~~ **become** effective upon passage and approval.

2. Sections 3.3 and 5.7 of this act become effective on July 1, 2011.

Assemblyman Atkinson moved that the Assembly concur in the Senate Amendment No. 679 to Assembly Bill No. 273.

Remarks by Assemblyman Atkinson.

Motion carried.

The following Senate amendment was read:

Amendment No. 824.

SUMMARY—Revises provisions ~~[governing deficiencies existing after foreclosure sales and sales in lieu of foreclosure sales.]~~ **relating to real property.** (BDR 3-561)

AN ACT relating to real property; revising provisions governing the amount which a person holding a junior lien on real property may recover in a civil action under certain circumstances; prohibiting certain persons holding a junior lien on certain residential property from bringing a civil action under certain circumstances; revising provisions governing the amount of a deficiency judgment after the foreclosure of a mortgage or a deed of trust; limiting the amount of certain judgments against guarantors, sureties or other obligors of obligations secured by real property under certain circumstances; **revising provisions governing mortgages and deeds of trust;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a judgment creditor or a beneficiary of a deed of trust may obtain, after a hearing, a deficiency judgment after a foreclosure sale or trustee's sale if it appears from the sheriff's return or the recital of consideration in the trustee's deed that there is a deficiency of the proceeds of the sale and a balance remaining due the judgment creditor or beneficiary of the deed of trust. Existing law requires a judgment creditor or beneficiary of a deed of trust to bring an action for such a deficiency judgment within 6 months after the foreclosure sale or trustee's sale. For an obligation secured by a mortgage or deed of trust on or after October 1, 2009, a court may not award a deficiency judgment to the judgment creditor or the beneficiary of the deed of trust if: (1) the creditor or beneficiary is a financial institution; (2) the real property is a single-family dwelling and the debtor or grantor was the owner of the property; (3) the debtor or grantor used the loan to purchase the property; (4) the debtor or grantor occupied the property continuously after obtaining the loan; and (5) the debtor or grantor did not refinance the loan. (NRS 40.455)

Sections 3, 3.3 and 5.7 of this bill enact similar provisions to govern deficiency judgments sought by junior lienholders after a foreclosure sale, a trustee's sale or any sale or deed in lieu of a foreclosure sale or trustee's sale. **Section 3** provides that, if the circumstances prohibiting a deficiency judgment after a foreclosure sale or trustee's sale under current law exist with respect to a junior lienholder, the creditor may not bring a civil action to recover the debt owed to it after a foreclosure sale, a trustee's sale or a sale or deed in lieu of a foreclosure sale or trustee's sale.

Existing law authorizes a creditor under an obligation secured by a junior mortgage or deed of trust to bring an action to obtain a personal judgment against the debtor only if the action is commenced within 6 years after the date of the debtor's default. (NRS 11.190) Under **sections 3.3 and 5.7** of this bill, if the real property securing such an obligation is the subject of a foreclosure sale, a trustee's sale or a sale or deed in lieu of such a sale, the creditor may bring an action to obtain a personal judgment against the debtor only if the action is brought within 6 months after the foreclosure sale, the trustee's sale or the sale in lieu of a foreclosure sale or trustee's sale.

Under existing law, the amount of a deficiency judgment after a foreclosure sale or a trustee's sale may not exceed the lesser of: (1) the amount of the indebtedness minus the fair market value of the foreclosed property at the time of the sale; or (2) the amount of the indebtedness minus the amount for which the foreclosed property actually sold. (NRS 40.459) **Section 5** of this bill provides that, for a deficiency judgment sought by a secured creditor after a foreclosure sale, trustee's sale or sale in lieu of a foreclosure sale or trustee's sale, the amount of the deficiency judgment must be reduced by the amount of any insurance proceeds received by, or payable

to, the creditor. **Section 2** of this bill enacts a corresponding provision for money judgments sought against a debtor by a junior lienholder after a foreclosure sale, a trustee's sale or a sale or deed in lieu of a foreclosure sale or trustee's sale.

Sections 2 and 5 also limit the recovery of a creditor who acquired the right to obtain payment for an obligation secured by the real property from another person who owned that obligation. If the creditor is seeking a deficiency judgment after a foreclosure sale, a trustee's sale or a sale in lieu of a foreclosure sale or trustee's sale, **section 5** provides that the creditor may not receive an amount which exceeds the lesser of: (1) the consideration paid for the obligation minus the fair market value of the property at the time of the foreclosure sale, with interest from the date of sale and reasonable costs; or (2) the consideration paid for the obligation minus the amount for which the property actually sold, with interest from the date of sale and reasonable costs. If the creditor is a junior lienholder who filed a civil action to obtain a money judgment against the debtor, **section 2** provides that the creditor may not receive an amount greater than the consideration paid for the obligation, with interest from the date on which the person acquired the right to obtain payment and reasonable costs.

Section 5.5 of this bill limits the amount of a judgment against a guarantor, surety or other obligor, other than a mortgagor or grantor of a deed of trust, in an action commenced before a foreclosure sale or trustee's sale to enforce the obligation to pay, satisfy or purchase all or part of an obligation secured by a mortgage or other lien on real property. Under **section 5.5**, the amount of the judgment may not exceed the lesser of: (1) the amount of the indebtedness minus the fair market value of the real property at the time of the commencement of the action; or (2) if a foreclosure sale or a trustee's sale is completed before the date on which judgment is entered, the amount of the indebtedness minus the amount for which the foreclosed property actually sold.

Section 6 of this bill provides that the amendatory provisions of: (1) **sections 1-3** apply only prospectively to obligations secured by a mortgage, deed of trust or other encumbrance upon real property on or after the effective date of this bill; (2) **sections 3.3 and 5.7** apply only to an action commenced after a foreclosure sale or sale in lieu of a foreclosure sale that occurs on or after July 1, 2011; and (3) **section 5.5** apply only to an action against a guarantor, surety or other obligor commenced on or after the effective date of this bill. Under **section 7** of this bill, the amendatory provisions of **section 5** become effective upon passage and approval and thus apply to a deficiency judgment awarded on or after that effective date.

Section 6 of Assembly Bill No. 284 of this session requires the trustee under a deed of trust to be: (1) an attorney licensed in this State; (2) a

title insurer or title agent authorized to do business in this State; or (3) a person licensed as a trust company or exempt from the requirement to be licensed as a trust company. Section 5.8 of this bill amends section 6 of Assembly Bill No. 284 of this session: (1) to authorize any foreign or domestic entity which holds a current state business license to be the trustee under a deed of trust; and (2) to specifically describe certain persons who are exempt from the requirement to obtain a license as a trust company and who are authorized to be the trustee under a deed of trust. Sections 5.9 and 5.95 of this bill change the effective date of Assembly Bill No. 284 of this session from July 1, 2011, to October 1, 2011.

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

Section 1. Chapter 40 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.2 to 3.3, inclusive, of this act.

Sec. 1.2. *As used in sections 1.2 to 3.3, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 1.4, 1.6 and 1.8 of this act have the meanings ascribed to them in those sections.*

Sec. 1.4. *“Foreclosure sale” has the meaning ascribed to it in NRS 40.462.*

Sec. 1.6. *“Mortgage or other lien” has the meaning ascribed to it in NRS 40.433.*

Sec. 1.8. *“Sale in lieu of a foreclosure sale” means a sale of real property pursuant to an agreement between a person to whom an obligation secured by a mortgage or other lien on real property is owed and the debtor of that obligation in which the sales price of the real property is insufficient to pay the full outstanding balance of the obligation and the costs of the sale. The term includes, without limitation, a deed in lieu of a foreclosure sale.*

Sec. 2. 1. *If a person to whom an obligation secured by a junior mortgage or lien on real property is owed:*

(a) Files a civil action to obtain a money judgment against the debtor under that obligation after a foreclosure sale or a sale in lieu of a foreclosure sale; and

(b) Such action is not barred by NRS 40.430,

↪ in determining the amount owed by the debtor, the court shall not include the amount of any proceeds received by, or payable to, the person pursuant to an insurance policy to compensate the person for losses incurred with respect to the property or the default on the obligation.

2. *If:*

(a) A person acquired the right to enforce an obligation secured by a junior mortgage or lien on real property from a person who previously held that right;

(b) The person files a civil action to obtain a money judgment against the debtor after a foreclosure sale or a sale in lieu of a foreclosure sale; and

(c) Such action is not barred by NRS 40.430, ➔ the court shall not render judgment for more than the amount of the consideration paid for that right, plus interest from the date on which the person acquired the right and reasonable costs.

3. As used in this section, “obligation secured by a junior mortgage or lien on real property” includes, without limitation, an obligation which is not currently secured by a mortgage or lien on real property if the obligation:

(a) Is incurred by the debtor under an obligation which was secured by a mortgage or lien on real property; and

(b) Has the effect of reaffirming the obligation which was secured by a mortgage or lien on real property.

Sec. 3. 1. A person to whom an obligation secured by a junior mortgage or lien on real property is owed may not bring any action to enforce that obligation after a foreclosure sale of the real property which secured that obligation or a sale in lieu of a foreclosure sale if:

(a) The person is a financial institution;

(b) The real property which secured the obligation is a single-family dwelling and the debtor or grantor was the owner of the real property at the time of the foreclosure sale or sale in lieu of a foreclosure sale;

(c) The debtor or grantor used the amount of the obligation to purchase the real property;

(d) The debtor or grantor continuously occupied the real property as the debtor’s or grantor’s principal residence after securing the obligation; and

(e) The debtor or grantor did not refinance the obligation after securing it.

2. As used in this section, “financial institution” has the meaning ascribed to it in NRS 363A.050.

Sec. 3.3. A civil action not barred by NRS 40.430 or section 3 of this act by a person to whom an obligation secured by a junior mortgage or lien on real property is owed to obtain a money judgment against the debtor after a foreclosure sale of the real property or a sale in lieu of a foreclosure sale may only be commenced within 6 months after the date of the foreclosure sale or sale in lieu of a foreclosure.

Sec. 4. (Deleted by amendment.)

Sec. 5. NRS 40.459 is hereby amended to read as follows:

40.459 **1.** After the hearing, the court shall award a money judgment against the debtor, guarantor or surety who is personally liable for the debt. The court shall not render judgment for more than:

~~1-1~~ (a) The amount by which the amount of the indebtedness which was secured exceeds the fair market value of the property sold at the time of the sale, with interest from the date of the sale; ~~for~~

~~2-1~~ (b) The amount which is the difference between the amount for which the property was actually sold and the amount of the indebtedness which was secured, with interest from the date of sale ~~1-1~~; or

(c) *If the person seeking the judgment acquired the right to obtain the judgment from a person who previously held that right, the amount by which the amount of the consideration paid for that right exceeds the fair market value of the property sold at the time of sale or the amount for which the property was actually sold, whichever is greater, with interest from the date of sale and reasonable costs,*

↪ whichever is the lesser amount.

2. *For the purposes of this section, the “amount of the indebtedness” does not include any amount received by, or payable to, the judgment creditor or beneficiary of the deed of trust pursuant to an insurance policy to compensate the judgment creditor or beneficiary for any losses incurred with respect to the property or the default on the debt.*

Sec. 5.5. NRS 40.495 is hereby amended to read as follows:

40.495 **1.** The provisions of NRS 40.475 and 40.485 may be waived by the guarantor, surety or other obligor only after default.

2. Except as otherwise provided in subsection ~~4-1~~ **5**, a guarantor, surety or other obligor, other than the mortgagor or grantor of a deed of trust, may waive the provisions of NRS 40.430. If a guarantor, surety or other obligor waives the provisions of NRS 40.430, an action for the enforcement of that person’s obligation to pay, satisfy or purchase all or part of an indebtedness or obligation secured by a mortgage or lien upon real property may be maintained separately and independently from:

(a) An action on the debt;

(b) The exercise of any power of sale;

(c) Any action to foreclose or otherwise enforce a mortgage or lien and the indebtedness or obligations secured thereby; and

(d) Any other proceeding against a mortgagor or grantor of a deed of trust.

3. If the obligee maintains an action to foreclose or otherwise enforce a mortgage or lien and the indebtedness or obligations secured thereby, the guarantor, surety or other obligor may assert any legal or equitable defenses provided pursuant to the provisions of NRS 40.451 to 40.463, inclusive.

4. *If, before a foreclosure sale of real property, the obligee commences an action against a guarantor, surety or other obligor, other than the*

mortgagor or grantor of a deed of trust, to enforce an obligation to pay, satisfy or purchase all or part of an indebtedness or obligation secured by a mortgage or lien upon the real property:

(a) The court must hold a hearing and take evidence presented by either party concerning the fair market value of the property as of the date of the commencement of the action. Notice of such hearing must be served upon all defendants who have appeared in the action and against whom a judgment is sought, or upon their attorneys of record, at least 15 days before the date set for the hearing.

(b) After the hearing, if the court awards a money judgment against the debtor, guarantor or surety who is personally liable for the debt, the court must not render judgment for more than:

(1) The amount by which the amount of the indebtedness exceeds the fair market value of the property as of the date of the commencement of the action; or

(2) If a foreclosure sale is concluded before a judgment is entered, the amount that is the difference between the amount for which the property was actually sold and the amount of the indebtedness which was secured, whichever is the lesser amount.

5. The provisions of NRS 40.430 may not be waived by a guarantor, surety or other obligor if the mortgage or lien:

(a) Secures an indebtedness for which the principal balance of the obligation was never greater than \$500,000;

(b) Secures an indebtedness to a seller of real property for which the obligation was originally extended to the seller for any portion of the purchase price;

(c) Is secured by real property which is used primarily for the production of farm products as of the date the mortgage or lien upon the real property is created; or

(d) Is secured by real property upon which:

(1) The owner maintains the owner's principal residence;

(2) There is not more than one residential structure; and

(3) Not more than four families reside.

6. As used in this section, "foreclosure sale" has the meaning *ascribed to it in NRS 40.462*.

Sec. 5.7. NRS 11.190 is hereby amended to read as follows:

11.190 Except as otherwise provided in NRS 125B.050 and 217.007, **and section 3.3 of this act**, actions other than those for the recovery of real property, unless further limited by specific statute, may only be commenced as follows:

1. Within 6 years:

(a) An action upon a judgment or decree of any court of the United States, or of any state or territory within the United States, or the renewal thereof.

(b) An action upon a contract, obligation or liability founded upon an instrument in writing, except those mentioned in the preceding sections of this chapter.

2. Within 4 years:

(a) An action on an open account for goods, wares and merchandise sold and delivered.

(b) An action for any article charged on an account in a store.

(c) An action upon a contract, obligation or liability not founded upon an instrument in writing.

(d) An action against a person alleged to have committed a deceptive trade practice in violation of NRS 598.0903 to 598.0999, inclusive, but the cause of action shall be deemed to accrue when the aggrieved party discovers, or by the exercise of due diligence should have discovered, the facts constituting the deceptive trade practice.

3. Within 3 years:

(a) An action upon a liability created by statute, other than a penalty or forfeiture.

(b) An action for waste or trespass of real property, but when the waste or trespass is committed by means of underground works upon any mining claim, the cause of action shall be deemed to accrue upon the discovery by the aggrieved party of the facts constituting the waste or trespass.

(c) An action for taking, detaining or injuring personal property, including actions for specific recovery thereof, but in all cases where the subject of the action is a domestic animal usually included in the term "livestock," which has a recorded mark or brand upon it at the time of its loss, and which strays or is stolen from the true owner without the owner's fault, the statute does not begin to run against an action for the recovery of the animal until the owner has actual knowledge of such facts as would put a reasonable person upon inquiry as to the possession thereof by the defendant.

(d) Except as otherwise provided in NRS 112.230 and 166.170, an action for relief on the ground of fraud or mistake, but the cause of action in such a case shall be deemed to accrue upon the discovery by the aggrieved party of the facts constituting the fraud or mistake.

(e) An action pursuant to NRS 40.750 for damages sustained by a financial institution or other lender because of its reliance on certain fraudulent conduct of a borrower, but the cause of action in such a case shall be deemed to accrue upon the discovery by the financial institution or other lender of the facts constituting the concealment or false statement.

4. Within 2 years:

(a) An action against a sheriff, coroner or constable upon liability incurred by acting in his or her official capacity and in virtue of his or her office, or by the omission of an official duty, including the nonpayment of money collected upon an execution.

(b) An action upon a statute for a penalty or forfeiture, where the action is given to a person or the State, or both, except when the statute imposing it prescribes a different limitation.

(c) An action for libel, slander, assault, battery, false imprisonment or seduction.

(d) An action against a sheriff or other officer for the escape of a prisoner arrested or imprisoned on civil process.

(e) Except as otherwise provided in NRS 11.215, an action to recover damages for injuries to a person or for the death of a person caused by the wrongful act or neglect of another. The provisions of this paragraph relating to an action to recover damages for injuries to a person apply only to causes of action which accrue after March 20, 1951.

(f) An action to recover damages under NRS 41.740.

5. Within 1 year:

(a) An action against an officer, or officer de facto to recover goods, wares, merchandise or other property seized by the officer in his or her official capacity, as tax collector, or to recover the price or value of goods, wares, merchandise or other personal property so seized, or for damages for the seizure, detention or sale of, or injury to, goods, wares, merchandise or other personal property seized, or for damages done to any person or property in making the seizure.

(b) An action against an officer, or officer de facto for money paid to the officer under protest, or seized by the officer in his or her official capacity, as a collector of taxes, and which, it is claimed, ought to be refunded.

Sec. 5.8. Section 6 of Assembly Bill No. 284 of this session is hereby amended to read as follows:

Sec. 6. Chapter 107 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The trustee under a deed of trust must be:

(a) An attorney licensed to practice law in this State;

(b) A title insurer or title agent authorized to do business in this State pursuant to chapter 692A of NRS; ~~for~~

(c) A person licensed pursuant to chapter 669 of NRS ~~for a person exempt from the provisions of chapter 669 of NRS pursuant to paragraph (a) or (h) of subsection 1 of NRS 669.080.~~

(d) A domestic or foreign entity which holds a current state business license issued by the Secretary of State pursuant to chapter 76 of NRS;

(e) A person who does business under the laws of this State, the United States or another state relating to banks, savings banks, savings and loan associations or thrift companies;

(f) A person who is appointed as a fiduciary pursuant to NRS 662.245;

(g) A person who acts as a registered agent for a domestic or foreign corporation, limited-liability company, limited partnership or limited-liability partnership;

(h) A person who acts as a trustee of a trust holding real property for the primary purpose of facilitating any transaction with respect to real estate if he or she is not regularly engaged in the business of acting as a trustee for such trusts;

(i) A person who engages in the business of a collection agency pursuant to chapter 649 of NRS; or

(j) A person who engages in the business of an escrow agency, escrow agent or escrow officer pursuant to the provisions of chapter 645A or 692A of NRS.

2. A trustee under a deed of trust must not be the beneficiary of the deed of trust for the purposes of exercising the power of sale pursuant to NRS 107.080.

3. A trustee under a deed of trust must not:

(a) Lend its name or its corporate capacity to any person who is not qualified to be the trustee under a deed of trust pursuant to subsection 1.

(b) Act individually or in concert with any other person to circumvent the requirements of subsection 1.

4. A beneficiary of record may replace its trustee with another trustee. The appointment of a new trustee is not effective until the substitution of trustee is recorded in the office of the recorder of the county in which the real property is located.

5. The trustee does not have a fiduciary obligation to the grantor or any other person having an interest in the property which is subject to the deed of trust. The trustee shall act impartially and in good faith with respect to the deed of trust and shall act in accordance with the laws of this State. A rebuttable presumption that a trustee has acted impartially and in good faith exists if the trustee acts in compliance with the provisions of NRS 107.080. In performing acts required by NRS 107.080, the trustee incurs no liability for any good faith error resulting from reliance on information provided by the beneficiary regarding the nature and the amount of the default under the obligation secured by the deed of trust if the trustee corrects the good faith error not later than 20 days after discovering the error.

6. If, in an action brought by a grantor, a person who holds title of record or a beneficiary in the district court in and for the county in which

the real property is located, the court finds that the trustee did not comply with this section, any other provision of this chapter or any applicable provision of chapter 106 or 205 of NRS, the court must award to the grantor, the person who holds title of record or the beneficiary:

(a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;

(b) An injunction enjoining the exercise of the power of sale until the beneficiary, the successor in interest of the beneficiary or the trustee complies with the requirements of subsections 2, 3 and 4; and

*(c) Reasonable attorney's fees and costs,
 ↪ unless the court finds good cause for a different award.*

Sec. 5.9. Section 14.5 of Assembly Bill No. 284 of this session is hereby amended to read as follows:

Sec. 14.5. The amendatory provisions of:

1. Section 1 of this act apply only to an assignment of a mortgage of real property, or of a mortgage of personal property or crops recorded before March 27, 1935, and any assignment of the beneficial interest under a deed of trust, which is made on or after ~~July~~ **October** 1, 2011.

2. Section 2 of this act apply only to an instrument by which any mortgage or deed of trust of, lien upon or interest in real property is subordinated or waived as to priority which is made on or after ~~July~~ **October** 1, 2011.

3. Section 5 of this act apply only to an instrument encumbering a borrower's real property to secure future advances from a lender within a mutually agreed maximum amount of principal, or an amendment to such an instrument, which is made on or after ~~July~~ **October** 1, 2011.

4. Section 9 of this act apply only to a notice of default and election to sell which is recorded pursuant to NRS 107.080, as amended by section 9 of this act, on or after ~~July~~ **October** 1, 2011.

Sec. 5.95. Section 15 of Assembly Bill No. 284 of this session is hereby amended to read as follows:

Sec. 15. This act becomes effective on ~~July~~ **October** 1, 2011.

Sec. 6. The amendatory provisions of:

1. Sections 1 to 3, inclusive, of this act apply only to an obligation secured by a mortgage, deed of trust or other encumbrance upon real property on or after the effective date of this act.

2. Sections 3.3 and 5.7 of this act apply only to an action commenced after a foreclosure sale or sale in lieu of a foreclosure sale that occurs on or after July 1, 2011.

3. Section 5.5 of this act apply only to an action against a guarantor, surety or other obligor commenced on or after the effective date of this act.

Sec. 7. 1. This section and sections 1 to 3, inclusive, 5, 5.5 and **5.8 to 6**, **inclusive**, of this act become effective upon passage and approval.

2. Sections 3.3 and 5.7 of this act become effective on July 1, 2011.

Assemblyman Atkinson moved that the Assembly concur in the Senate Amendment No. 824 to Assembly Bill No. 273.

Remarks by Assemblyman Atkinson.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 308.

The following Senate amendment was read:

Amendment No. 706.

AN ACT relating to mortgage lending; revising provisions governing certain mortgage lending professionals to be consistent with certain federal law governing the provision of mortgage assistance relief services; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law regulates the activities of certain mortgage lending professionals who provide counseling, assistance and advice to homeowners whose homes are subject to an outstanding notice of the pendency of an action for foreclosure. (NRS 645F.300-645F.450) The Federal Trade Commission similarly regulates the activities of persons who provide mortgage assistance relief services. (16 C.F.R. Part 322) This bill revises Nevada law to provide protections for homeowners consistent with the protections provided pursuant to the regulations adopted by the Federal Trade Commission.

Section 2 of this bill prohibits a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant from requesting or receiving any compensation before a homeowner executes a written agreement that incorporates an offer of mortgage assistance.

Section 3 of this bill requires a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant to maintain certain records for not less than 24 months. **Section 3** provides that such records are subject to inspection and audit by the Commissioner of Mortgage Lending. **Section 3** also requires a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant to take reasonable steps to ensure that any of his or her employees or independent contractors comply with the laws and regulations governing persons who perform covered services for compensation, foreclosure consultants and loan modification consultants.

Section 4 of this bill requires a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant

to make certain disclosures in connection with any commercial communication relating to the provision of any covered service.

Section 5 of this bill requires a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant to provide certain notices to a homeowner at the time the homeowner is presented with a written agreement incorporating an offer of mortgage assistance obtained from the homeowner's lender or servicer.

Section 6 of this bill prohibits a person who knows or reasonably should know that a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant is not in compliance with the laws and regulations governing covered services from providing substantial assistance or support to the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant.

~~[Section 8 of this bill extends to the employees of an attorney at law the exemption from regulation as a foreclosure consultant or foreclosure purchaser that is currently provided under certain circumstances to an attorney at law.]~~

Section 9 of this bill prohibits a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant from making certain express or implied representations relating to the provision of covered services, including any representation that: (1) a homeowner cannot or should not contact or communicate with his or her lender; or (2) the covered service is affiliated with or endorsed by the Federal Government, the State of Nevada or any department, agency or political subdivision thereof. **Section 9** also prohibits a person who performs any covered service, a foreclosure consultant or a loan modification consultant from obtaining or attempting to obtain from a homeowner a waiver of any provision of this bill or existing law. Any such waiver is void and unenforceable. A violation of any provision of **section 9** constitutes mortgage lending fraud and is punishable as a category C felony.

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

Section 1. Chapter 645F of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. *A person who performs any covered service for compensation, a foreclosure consultant and a loan modification consultant shall not claim, demand, charge, collect or receive any compensation before a homeowner has executed a written agreement with the lender or servicer incorporating the offer of mortgage assistance obtained from the lender or*

servicer by the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant.

Sec. 3. 1. A person who performs any covered service for compensation, a foreclosure consultant and a loan modification consultant shall keep each of the following records for a period of not less than 24 months after the date the record is created:

(a) Each contract or other agreement between the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant and a homeowner.

(b) A copy of each written communication between the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant and a homeowner which occurred before the date on which the homeowner entered into a contract for covered services.

(c) A copy of every document or telephone recording created in connection with the requirements of subsection 2.

(d) The file of each homeowner, which must include, without limitation, the name of the homeowner, his or her telephone number, the amount of money paid by the homeowner and a description of the covered services purchased by the homeowner.

(e) For each covered service, a copy of every materially different sales script, training material, commercial communication or any other marketing material, including, without limitation, any material published on an Internet website.

(f) A copy of each disclosure provided to a homeowner pursuant to section 5 of this act.

2. A person who performs any covered service for compensation, a foreclosure consultant and a loan modification consultant shall:

(a) Take reasonable steps to ensure that all employees and independent contractors of the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant comply with the provisions of NRS 645F.300 to 645F.450, inclusive, and sections 2 to 6, inclusive, of this act and any regulations adopted pursuant thereto.

(b) If the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant is engaged in the telemarketing of covered services, perform random, blind recording and testing of the oral representations made by persons engaged in sales or other customer service functions.

(c) Establish a procedure for receiving and responding to all complaints of homeowners.

(d) Record the number and nature of complaints of homeowners regarding transactions involving an employee or independent contractor of

the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant.

(e) Investigate promptly and fully each complaint received from a homeowner.

(f) Take corrective action with respect to any employee or independent contractor whom the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant determines is not complying with the provisions of NRS 645F.300 to 645F.450, inclusive, and sections 2 to 6, inclusive, of this act and any regulations adopted pursuant thereto.

(g) Maintain any information necessary to demonstrate compliance with the requirements of this subsection.

3. All records kept pursuant to this section are subject to inspection and audit by the Commissioner and authorized representatives of the Commissioner.

Sec. 4. 1. A person who performs any covered service for compensation, a foreclosure consultant and a loan modification consultant shall:

(a) Include with each general commercial communication for any covered service the following disclosures printed in at least 12-point type:

(1) "[Name of company] is not associated with the government, and our service is not approved by the government or your lender."

(2) In any case in which the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant makes an express or implied representation that homeowners will receive covered services:

"Even if you accept this offer and use our service, your lender may not agree to change your loan."

(b) Include with each commercial communication which is specific to a homeowner the following disclosures printed in at least 12-point type:

(1) "You may stop doing business with us at any time. You may accept or reject the offer we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert total amount or method of calculating the total amount] for our services."

(2) "[Name of company] is not associated with the government, and our service is not approved by the government or your lender."

(3) In any case in which the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant makes an express or implied representation that the homeowner will receive covered services:

“Even if you accept this offer and use our service, your lender may not agree to change your loan.”

(c) Include with any commercial communication relating to a covered service in which the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant represents expressly or by implication that a homeowner should temporarily or permanently discontinue payments, in whole or in part, on any mortgage or lien on a residence in foreclosure a clear and prominent statement, in close proximity to the express or implied representation and printed in at least 12-point type, which provides that:

“If you stop paying your mortgage, you could lose your home and damage your credit rating.”

2. The disclosures required by paragraphs (a) and (b) of subsection 1 must be made in a clear and prominent manner and:

(a) In a written communication, the disclosures must appear together and be preceded by the heading “IMPORTANT NOTICE,” printed in at least 14-point bold type; and

(b) In an oral communication, the audio component of the required disclosures must be preceded by the statement “Before using this service, consider the following information” and, if the oral communication is made by telephone, must be made at the beginning of the communication.

3. As used in this section, “total amount” means all amounts the homeowner must pay to purchase, receive and use all covered services that are subject to the contract for covered services, including, without limitation, all fees and charges.

Sec. 5. 1. A person who performs any covered service for compensation, a foreclosure consultant and a loan modification consultant shall, at the time the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant provides a homeowner with a written agreement between the homeowner and the homeowner’s lender or servicer incorporating the offer of mortgage assistance obtained from the homeowner’s lender or servicer:

(a) Provide the following notice printed in at least 12-point type to the homeowner:

“This is an offer of mortgage assistance we obtained from your lender [or servicer]. You may accept or reject the offer. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert total amount or method of calculating the total amount] for our services.”

↪ *The notice must be made in a clear and prominent manner on a separate written page and be preceded by the heading “IMPORTANT NOTICE: BEFORE BUYING THIS SERVICE, CONSIDER THE FOLLOWING INFORMATION” printed in at least 14-point bold type.*

(b) Provide the homeowner with a notice printed in at least 12-point type from the homeowner’s lender or servicer which includes a complete description of all material differences between the terms, conditions and limitations which apply to the homeowner’s current mortgage loan and the terms, conditions and limitations which will apply to the homeowner’s mortgage loan if he or she accepts the offer of the lender or servicer, including, without limitation, the differences between the mortgage loans with regard to the:

- (1) Principal balance;*
- (2) Contract interest rate, including the maximum rate and any adjustable rates;*
- (3) Amount and number of scheduled periodic payments;*
- (4) Monthly amounts owed for principal, interest, taxes and mortgage insurance;*
- (5) Amount of any delinquent payments owing or outstanding; and*
- (6) Term.*

↪ *The notice required by this paragraph must be made in a clear and prominent manner on a separate written page and be preceded by the heading “IMPORTANT INFORMATION FROM [name of lender or servicer] ABOUT THIS OFFER” printed in at least 14-point bold type.*

2. If the offer obtained from the lender or servicer by the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant is a trial mortgage loan modification, the notice required by paragraph (b) of subsection 1 must include notice to the homeowner:

(a) That the homeowner may not qualify for a permanent mortgage loan modification; and

(b) Setting forth the likely amount of scheduled periodic payments and arrears, payments and fees the homeowner would owe if the homeowner failed to qualify for a permanent mortgage loan modification.

3. As used in this section, “total amount” has the meaning ascribed to it in section 4 of this act.

Sec. 6. *A person who knows or reasonably should know that another person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant is in violation of any provision of NRS 645F.300 to 645F.450, inclusive, and sections 2 to 6, inclusive, of this act and any regulations adopted pursuant thereto shall not provide substantial assistance or support to the person who performs*

any covered service for compensation, foreclosure consultant or loan modification consultant.

Sec. 7. NRS 645F.300 is hereby amended to read as follows:

645F.300 As used in NRS 645F.300 to 645F.450, inclusive, ***and sections 2 to 6, inclusive, of this act***, unless the context otherwise requires, the words and terms defined in NRS 645F.310 to 645F.370, inclusive, have the meanings ascribed to them in those sections.

Sec. 8. NRS 645F.380 is hereby amended to read as follows:

645F.380 The provisions of NRS 645F.300 to 645F.450, inclusive, ***and sections 2 to 6, inclusive, of this act*** do not apply to, and the terms “foreclosure consultant” and “foreclosure purchaser” do not include:

1. An attorney at law rendering services in the performance of his or her duties as an attorney at law ~~and his or her employees,~~ unless the attorney at law is ~~for his or her employees are~~ rendering those services in the course and scope of his or her employment by or other affiliation with a ~~mortgage broker or mortgage agent;~~ ***person who is licensed or required to be licensed pursuant to NRS 645F.390;***

2. A provider of debt-management services registered pursuant to chapter 676A of NRS while providing debt-management services pursuant to chapter 676A of NRS;

3. A person or the authorized agent of a person acting under the provisions of a program sponsored by the Federal Government, this State or a local government, including, without limitation, the Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Federal Home Loan Bank ~~System;~~ ***System;***

4. A person who holds or is owed an obligation secured by a mortgage or other lien on a residence in foreclosure if the person performs services in connection with this obligation or lien and the obligation or lien did not arise as the result of or as part of a proposed foreclosure reconveyance;

5. Any person doing business under the laws of this State or of the United States relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee which is a United States Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of those persons, and any agent or employee of those persons while engaged in the business of those persons;

6. A person, other than a person who is licensed pursuant to NRS 645F.390, who is licensed pursuant to chapter 692A or any chapter of title 54 of NRS while acting under the authority of the license;

7. A nonprofit agency or organization that offers credit counseling or advice to a homeowner of a residence in foreclosure or a person in default on a loan; or

8. A judgment creditor of the homeowner whose claim accrued before the recording of the notice of the pendency of an action for foreclosure against the homeowner pursuant to NRS 14.010 or the recording of the notice of default and election to sell pursuant to NRS 107.080.

Sec. 9. NRS 645F.400 is hereby amended to read as follows:

645F.400 1. A person who performs any covered service, a foreclosure consultant and a loan modification consultant shall not:

(a) Claim, demand, charge, collect or receive any compensation except in accordance with ~~[NRS 645F.394.]~~ ***the terms of a contract for covered services.***

(b) Claim, demand, charge, collect or receive any fee, interest or other compensation for any reason which is not fully disclosed to the homeowner.

(c) Take ***or acquire, directly or indirectly,*** any wage assignment, lien on real or personal property, assignment of a homeowner's equity ~~[or other]~~, ***any*** interest in a residence ~~[in foreclosure]~~ or other security for the payment of compensation. Any such ***assignment or*** security is void and unenforceable.

(d) Receive any consideration from any third party in connection with a covered service provided to a homeowner unless the consideration is first fully disclosed to the homeowner.

(e) ~~[Acquire, directly or indirectly, any interest in the residence in foreclosure of a homeowner with whom the foreclosure consultant has contracted to perform a covered service.]~~

~~(f)~~ Accept a power of attorney from a homeowner for any purpose, other than to inspect documents as provided by law.

(f) Make any representation, express or implied, that a homeowner cannot or should not contact or communicate with his or her lender or servicer.

(g) Misrepresent any aspect of any covered service.

(h) Make any representation, express or implied, that a covered service is affiliated with, associated with or endorsed or approved by:

(1) The Federal Government, the State of Nevada or any department, agency or political subdivision thereof;

(2) Any governmental plan for homeowner assistance;

(3) Any nonprofit housing counselor agency or program;

(4) The maker, holder or servicer of a homeowner's mortgage loan;

or

(5) Any other person, entity or program.

(i) Make any representation, express or implied, about the benefits, performance or efficacy of any covered service unless, at the time the representation is made, the person who performs any covered service, the foreclosure consultant or the loan modification consultant possesses and relies upon competent and reliable evidence which substantiates that the representation is true. As used in this paragraph, "competent and reliable evidence" means tests, analyses, research, studies or other evidence based on the expertise of professionals in the relevant area that have been conducted and evaluated in an objective manner by persons qualified to do so using procedures generally accepted in the profession to yield accurate and reliable results.

(j) Obtain or attempt to obtain any waiver of the provisions of NRS 645F.300 to 645F.450, inclusive, and sections 2 to 6, inclusive, of this act or any regulations adopted pursuant thereto. Any such waiver is void and unenforceable.

2. In addition to any other penalty, a violation of any provision of this section shall be deemed to constitute mortgage lending fraud for the purposes of NRS 205.372.

Sec. 10. NRS 645F.430 is hereby amended to read as follows:

645F.430 A foreclosure purchaser who engages in any conduct that operates as a fraud or deceit upon a homeowner in connection with a transaction that is subject to the provisions of NRS 645F.300 to 645F.450, inclusive, *and sections 2 to 6, inclusive, of this act*, including, without limitation, a foreclosure reconveyance, is guilty of a gross misdemeanor and shall be punished by imprisonment in the county jail for not more than 1 year, or by a fine of not more than \$50,000, or by both fine and imprisonment.

Sec. 11. NRS 645F.440 is hereby amended to read as follows:

645F.440 1. In addition to the penalty provided in NRS 645F.430 and except as otherwise provided in subsection 5, if a foreclosure purchaser engages in any conduct that operates as a fraud or deceit upon a homeowner in connection with a transaction that is subject to the provisions of NRS 645F.300 to 645F.450, inclusive, *and sections 2 to 6, inclusive, of this act*, including, without limitation, a foreclosure reconveyance, the transaction in which the foreclosure purchaser acquired title to the residence in foreclosure may be rescinded by the homeowner within 2 years after the date of the recording of the conveyance.

2. To rescind a transaction pursuant to subsection 1, the homeowner must give written notice to the foreclosure purchaser and a successor in interest to the foreclosure purchaser, if the successor in interest is not a bona fide purchaser, and record that notice with the recorder of the county in which the property is located. The notice of rescission must contain:

(a) The name of the homeowner, the foreclosure purchaser and any successor in interest who holds title to the property; and

(b) A description of the property.

3. Within 20 days after receiving notice pursuant to subsection 2:

(a) The foreclosure purchaser and the successor in interest, if the successor in interest is not a bona fide purchaser, shall reconvey to the homeowner title to the property free and clear of encumbrances which were created subsequent to the rescinded transaction and which are due to the actions of the foreclosure purchaser; and

(b) The homeowner shall return to the foreclosure purchaser any consideration received from the foreclosure purchaser in exchange for the property.

4. If the foreclosure purchaser has not reconveyed to the homeowner title to the property within the period described in subsection 3, the homeowner may bring an action to enforce the rescission in the district court of the county in which the property is located.

5. A transaction may not be rescinded pursuant to this section if the foreclosure purchaser has transferred the property to a bona fide purchaser.

6. As used in this section, “bona fide purchaser” means any person who purchases an interest in a residence in foreclosure from a foreclosure purchaser in good faith and for valuable consideration and who does not know or have reasonable cause to believe that the foreclosure purchaser engaged in conduct which violates subsection 1.

Sec. 12. NRS 645F.450 is hereby amended to read as follows:

645F.450 The rights, remedies and penalties provided pursuant to the provisions of NRS 645F.300 to 645F.450, inclusive, *and sections 2 to 6, inclusive, of this act* are cumulative and do not abrogate and are in addition to any other rights, remedies and penalties that may exist at law or in equity, including, without limitation, any criminal penalty that may be imposed pursuant to NRS 645F.430.

Sec. 13. NRS 645F.394 is hereby repealed.

Sec. 14. This act becomes effective on July 1, 2011.

TEXT OF REPEALED SECTION

645F.394 Foreclosure consultants, loan modification consultants and persons performing covered services for compensation: Deposits and trust accounts; commingling; records; inspection and audit.

1. All money paid to a person who performs any covered service for compensation, a foreclosure consultant or a loan modification consultant by a person in full or partial payment of covered services to be performed:

(a) Must be deposited in a separate checking account located in a federally insured depository financial institution or credit union in this State which must be designated a trust account;

(b) Must be kept separate from money belonging to the person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant; and

(c) Must not be withdrawn by the person who performs any covered service for compensation, foreclosure consultant or loan modification consultant until the completion of every covered service as agreed upon in the contract for covered services.

2. The person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant shall keep records of all money deposited in a trust account pursuant to subsection 1. The records must clearly indicate the date and from whom he or she received money, the date deposited, the dates of withdrawals, and other pertinent information concerning the transaction, and must show clearly for whose account the money is deposited and to whom the money belongs. The person who performs any covered service for compensation, the foreclosure consultant or the loan modification consultant shall balance each separate trust account at least monthly and provide to the Commissioner, on a form provided by the Commissioner, an annual accounting which shows an annual reconciliation of each separate trust account. All such records and money are subject to inspection and audit by the Commissioner and authorized representatives of the Commissioner.

3. Each person who performs any covered service for compensation, each foreclosure consultant and each loan modification consultant shall notify the Commissioner of the names of the banks and credit unions in which he or she maintains trust accounts and specify the names of the accounts on forms provided by the Commissioner.

4. As used in this section, "completion of every covered service" means:

(a) Successful results with respect to what the performance of each covered service was intended to yield for the homeowner, as described in the contract for covered services; or

(b) If the performance of one or more covered service has an unsuccessful result with respect to what the performance of that covered service was intended to yield for the homeowner, a showing that every reasonable effort was made, under the particular circumstances, to obtain successful results,

➡ as verified in a written statement provided to the homeowner.

Assemblyman Atkinson moved that the Assembly concur in the Senate Amendment No. 706 to Assembly Bill No. 308.

Remarks by Assemblyman Atkinson.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 433.

The following Senate amendment was read:

Amendment No. 690.

AN ACT relating to employment practices; making it unlawful for public employers to make rules or regulations that prohibit or prevent an employee from engaging in politics or becoming a candidate for public office with certain exceptions; prohibiting any employer from taking any adverse employment action against an employee because the employee has become a candidate for any public office with certain exceptions; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law makes it unlawful for a private employer to make rules or regulations that prohibit or prevent an employee from engaging in politics or becoming a candidate for public office. (NRS 613.040) A violation of that prohibition by an employer is punishable by a fine of not more than \$5,000. In addition, the costs of the proceeding to recover the fine are recoverable by the Attorney General. (NRS 613.050) The employee is also authorized to bring a separate lawsuit for damages for such a violation. (NRS 613.070) This bill makes it unlawful for public employers and labor organizations, in addition to private employers, to engage in such unlawful activity and also makes it unlawful for any public or private employer or labor organization to take any adverse employment action against an employee as a result of the employee becoming a candidate for public office. With respect to public employees, this bill makes an exception where necessary to meet requirements of federal law, such as the Hatch Act, 5 U.S.C. §§ 1501-1508, which imposes restrictions on certain political activities by state and local governmental employees.

WHEREAS, Every eligible person has a right to participate in the functions of government; and

WHEREAS, Participating as a candidate in an election for public office and participating in politics are at the core of government; and

WHEREAS, It is the policy of the State of Nevada to encourage participation in government; and

WHEREAS, Anything which tends to prevent a person from so participating is contrary to the policy of this State; now, therefore,

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

Section 1. NRS 613.040 is hereby amended to read as follows:

613.040 ~~HH~~

1. Except as necessary to meet requirements of federal law as it pertains to a particular public employee, it shall be unlawful for any person ~~[, firm or corporation doing business or employing labor in the State of Nevada to]~~ who employs or has under his or her direction and control any person for wages or under a contract of hire and for any labor organization referring a person to an employer for employment:

(a) To make any rule or regulation prohibiting or preventing any employee from engaging in politics or becoming a candidate for any public office in this state.

(b) To take any adverse employment action against an employee who becomes a candidate for any public office in this State because the employee became a candidate for public office.

2. As used in this section:

(a) "Adverse employment action" ~~[includes,]~~:

(1) Includes, without limitation, requiring an employee to take an unpaid leave of absence during any period of his or her campaign for public office.

(2) Does not include, without limitation:

(I) Any disciplinary or other personnel action, including, without limitation, termination of employment, taken for reasons other than those prohibited pursuant to subsection 1; or

(II) Reassignment of an employee to prevent or eliminate any conflict of interest, as determined by the employer.

(b) "Candidate" has the meaning ascribed to it in NRS 294A.005.

(c) "Person" means:

(1) A natural person;

(2) Any form of business or social organization and any other nongovernmental legal entity, including, without limitation, a corporation, partnership, association, trust or agency or unincorporated organization; or

(3) A government, governmental agency or political subdivision of a government.

Assemblyman Atkinson moved that the Assembly do not concur in the Senate Amendment No. 690 to Assembly Bill No. 433.

Remarks by Assemblyman Atkinson.

Motion carried by a constitutional majority.

Bill ordered transmitted to the Senate.

Assembly Bill No. 265.

The following Senate amendment was read:

Amendment No. 800.

AN ACT relating to peace officers; revising the circumstances under which a law enforcement agency is prohibited from suspending a peace officer without pay during an investigation; authorizing a representative of a peace officer to attend an interview with the peace officer under certain circumstances; requiring a law enforcement agency to revise a peace officer's work schedule for attending certain hearings and administrative proceedings; prohibiting the use in a criminal proceeding of a statement or answer of a peace officer obtained during an investigation under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a law enforcement agency to conduct an investigation of a peace officer in response to a complaint or allegation that the peace officer has engaged in activities which may result in punitive action. Existing law prohibits the law enforcement agency from suspending the peace officer without pay during the investigation until all investigations relating to the matter have concluded. (NRS 289.057) **Section 1** of this bill prohibits the law enforcement agency from suspending the peace officer without pay except as otherwise provided in a collective bargaining agreement.

Existing law requires a law enforcement agency to notify a peace officer not later than 48 hours before conducting any interrogation or hearing relating to an investigation of the peace officer. (NRS 289.060) **Section 1.5** of this bill imposes additional requirements by requiring the law enforcement agency to provide a written notice to any other peace officer the law enforcement agency believes has any knowledge of any fact relating to the complaint or allegation against the peace officer who is the subject of the investigation. The written notice must advise the peace officer that he or she must appear and be interviewed as a witness in connection with the investigation. **Section 1.5** also limits the use of certain evidence discovered during the course of an investigation or hearing and prohibits the use of certain statements or answers made by a peace officer in any subsequent criminal proceeding.

~~[Finally, existing]~~ **Existing** law **further** provides that, if a peace officer is the subject of an investigation of alleged misconduct, a law enforcement agency must interrogate the peace officer during his or her regular working hours, if practical, or compensate the peace officer for his or her time based on the peace officer's wages, if no charges arise from the interrogation. (NRS 289.060) **Section 1.5** of this bill deletes the requirement for the payment of compensation to the peace officer and instead requires the law enforcement agency to revise the peace officer's work schedule to allow any time that is required for the interrogation to be deemed a part of the peace officer's

regular working hours. If the law enforcement agency does not interrogate the peace officer during his or her regular working hours and the peace officer receives a notice to appear for an interrogation at a time that he or she is off duty, **section 1.5** requires the peace officer to be compensated for appearing at the interrogation based on his or her wages and any other benefits he or she is entitled to receive. **Section 1.5 also applies these provisions to a peace officer who is interviewed as a witness in connection with an investigation.**

Existing law authorizes a peace officer who is the subject of an investigation of alleged misconduct to have two representatives present during the interrogation and hearing concerning the investigation. Any such representative is required, except under certain circumstances, to keep all information he or she learns concerning the investigation confidential. (NRS 289.080) Section 1.7 of this bill authorizes a peace officer who is a witness in an investigation to have two representatives present during an interview conducted concerning the investigation. Section 1.7 also requires any such representative to keep all information he or she learns concerning the investigation confidential.

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

Section 1. NRS 289.057 is hereby amended to read as follows:

289.057 1. An investigation of a peace officer may be conducted in response to a complaint or allegation that the peace officer has engaged in activities which could result in punitive action.

2. ~~{A}~~ *Except as otherwise provided in a collective bargaining agreement, a* law enforcement agency shall not suspend a peace officer without pay during or pursuant to an investigation conducted pursuant to this section until all investigations relating to the matter have concluded.

3. After the conclusion of the investigation:

(a) If the investigation causes a law enforcement agency to impose punitive action against the peace officer who was the subject of the investigation and the peace officer has received notice of the imposition of the punitive action, the peace officer or a representative authorized by the peace officer may, except as otherwise prohibited by federal or state law, review any administrative or investigative file maintained by the law enforcement agency relating to the investigation, including any recordings, notes, transcripts of interviews and documents.

(b) If, pursuant to a policy of a law enforcement agency or a labor agreement, the record of the investigation or the imposition of punitive action is subject to being removed from any administrative file relating to the peace officer maintained by the law enforcement agency, the law enforcement

agency shall not, except as otherwise required by federal or state law, keep or make a record of the investigation or the imposition of punitive action after the record is required to be removed from the administrative file.

Sec. 1.5. NRS 289.060 is hereby amended to read as follows:

289.060 1. Except as otherwise provided in this subsection, a law enforcement agency shall, not later than 48 hours before any interrogation or hearing is held relating to an investigation conducted pursuant to NRS 289.057, provide *a* written notice to the peace officer ~~[-A]~~ *who is the subject of the investigation. If the law enforcement agency believes that any other peace officer has any knowledge of any fact relating to the complaint or allegation against the peace officer who is the subject of the investigation, the law enforcement agency shall provide a written notice to the peace officer advising the peace officer that he or she must appear and be interviewed as a witness in connection with the investigation. Any peace officer who serves as a witness during an interview must be allowed a reasonable opportunity to arrange for* ~~a representative chosen by the peace officer to attend the interview with the peace officer. Such a representative must not include the peace officer who is the subject of the investigation or any other witness who the law enforcement agency believes may have knowledge of any fact relating to the investigation.]~~ *the presence and assistance of a representative authorized by NRS 289.080. Any peace officer specified in this subsection may waive the notice required pursuant to this section.*

2. The notice *provided to the peace officer who is the subject of the investigation* must include:

- (a) A description of the nature of the investigation;
- (b) A summary of alleged misconduct of the peace officer ; ~~and any other peace officer whom the law enforcement agency is investigating in connection with the complaint or allegation;]~~
- (c) The date, time and place of the interrogation or hearing;
- (d) The name and rank of the officer in charge of the investigation and the officers who will conduct any interrogation ~~[-]~~ *or hearing;*
- (e) The name of any other person who will be present at any interrogation or hearing; and
- (f) A statement setting forth the provisions of subsection 1 of NRS 289.080.

3. The law enforcement agency shall:

- (a) ~~Interrogate]~~ *Interview or interrogate* the peace officer during the peace officer's regular working hours, if reasonably practicable, or ~~compensate the peace officer for that time based on the peace officer's regular wages if no charges arise from the interrogation.]~~ *revise the peace officer's work schedule to allow any time that is required for the interview*

or interrogation ~~for or any hearing~~ to be deemed a part of the peace officer's regular working hours. Any such time must be calculated based on the peace officer's regular wages for his or her regularly scheduled working hours. If the peace officer is not interviewed or interrogated during his or her regular working hours or if his or her work schedule is not revised pursuant to this paragraph and the law enforcement agency notifies the peace officer to appear at a time when he or she is off duty, the peace officer must be compensated for appearing at the interview or interrogation based on the wages and any other benefits the peace officer is entitled to receive for appearing at the time set forth in the notice.

(b) Immediately before ~~the~~ any interrogation or hearing begins, inform the peace officer who is the subject of the investigation orally on the record that:

(1) The peace officer is required to provide a statement and answer questions related to the peace officer's alleged misconduct; and

(2) If the peace officer fails to provide such a statement or to answer any such questions, the agency may charge the peace officer with insubordination.

(c) Limit the scope of the questions during the interrogation or hearing to the alleged misconduct of the peace officer ~~the~~ who is the subject of the investigation. If any evidence is discovered during the course of an investigation or hearing which establishes or may establish any other possible misconduct engaged in by the peace officer, the law enforcement agency shall notify the peace officer of that fact and shall not conduct any further interrogation of the peace officer concerning the possible misconduct until a subsequent notice of that evidence and possible misconduct is provided to the peace officer pursuant to this chapter.

(d) Allow the peace officer who is the subject of the investigation or who is a witness in the investigation to explain an answer or refute a negative implication which results from questioning during an interview, interrogation or hearing.

4. If a peace officer provides a statement or answers a question relating to the alleged misconduct of a peace officer who is the subject of an investigation pursuant to NRS 289.057 after the peace officer is informed that failing to provide the statement or answer may result in punitive action against him or her, the statement or answer must not be used against the peace officer who provided the statement or answer in any subsequent criminal proceeding.

Sec. 1.7. NRS 289.080 is hereby amended to read as follows:

289.080 1. Except as otherwise provided in subsection ~~3.~~ 4. a peace officer who is the subject of an investigation conducted pursuant to NRS 289.057 may upon request have two representatives of the peace officer's

choosing present with the peace officer during any phase of an interrogation or hearing relating to ~~any~~ the investigation, ~~conducted pursuant to NRS 289.057,~~ including, without limitation, a lawyer, a representative of a labor union or another peace officer.

2. *Except as otherwise provided in subsection 4, a peace officer who is a witness in an investigation conducted pursuant to NRS 289.057 may upon request have two representatives of the peace officer's choosing present with the peace officer during an interview relating to the investigation, including, without limitation, a lawyer, a representative of a labor union or another peace officer. The presence of the second representative must not create an undue delay in either the scheduling or conducting of the interview.*

3. A representative of a peace officer must assist the peace officer during the interview, interrogation or hearing. The law enforcement agency conducting the interview, interrogation or hearing shall allow a representative of the peace officer to explain an answer provided by the peace officer or refute a negative implication which results from questioning of the peace officer but may require such explanation to be provided after the agency has concluded its initial questioning of the peace officer.

~~3.~~ 4. A representative must not otherwise be connected to, or the subject of, the same investigation.

~~4.~~ 5. Any information that a representative obtains from the peace officer who is a witness concerning the investigation is confidential and must not be disclosed.

6. *Any information that a representative obtains from the peace officer who is the subject of the investigation is confidential and must not be disclosed* except upon the:

- (a) Request of the peace officer; or
- (b) Lawful order of a court of competent jurisdiction.

➔ A law enforcement agency shall not take punitive action against a representative for the representative's failure or refusal to disclose such information.

~~5.~~ 7. The peace officer, any representative of the peace officer or the law enforcement agency may make a stenographic, digital or magnetic record of the interview, interrogation or hearing. If the agency records the proceedings, the agency shall at the peace officer's request and expense provide a copy of the:

- (a) Stenographic transcript of the proceedings; or
- (b) Recording on the digital or magnetic tape.

~~6.~~ 8. After the conclusion of the investigation, the peace officer who was the subject of the investigation or any representative of the peace officer may, if the peace officer appeals a recommendation to impose punitive

action, review and copy the entire file concerning the internal investigation, including, without limitation, any recordings, notes, transcripts of interviews and documents contained in the file.

Sec. 2. (Deleted by amendment.)

Sec. 3. This act becomes effective on July 1, 2011.

Assemblywoman Kirkpatrick moved that the Assembly concur in the Senate Amendment No. 800 to Assembly Bill No. 265.

Remarks by Assemblywoman Kirkpatrick.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 413.

The following Senate amendment was read:

Amendment No. 631.

AN ACT relating to public works; making various changes relating to the withholding of retainage on progress payments for public works contracts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a public body to withhold as retainage at least 10 percent of the progress payments owed to a contractor on a public works project during the first half of the project. (NRS 338.515) Similarly, contractors and subcontractors may withhold as retainage not more than 10 percent of progress payments to their subcontractors and suppliers during the first half of the public works project. (NRS 338.555, 338.595) **Sections 1, 3 and 5** of this bill revise the maximum amount of retainage that may be withheld during the first half of the project to 5 percent of the progress payment. **Sections 1, 3 and 5** also provide that, except under limited circumstances, the amount of retainage may not exceed 2.5 percent of progress payments during the second half of a public works project. **Section 1 also allows a public body to pay some or all of the retainage withheld during the first half of the project if satisfactory progress is being made in the work or if a subcontractor has completed its portion of the work.**

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

Section 1. NRS 338.515 is hereby amended to read as follows:

338.515 1. Except as otherwise provided in NRS 338.525, a public body and its officers or agents awarding a contract for a public work shall pay or cause to be paid to a contractor the progress payments due under the contract within 30 days after the date the public body receives the progress bill or within a shorter period if the provisions of the contract so provide. Not more than ~~90~~ 95 percent of the amount of any progress payment may be

paid until 50 percent of the work required by the contract has been performed. ~~[Thereafter,]~~

2. *After 50 percent of the work required by the contract has been performed, the public body may pay ~~any~~ to the contractor:*

(a) Any of the remaining progress payments without withholding additional retainage ; and

(b) Any amount of any retainage that was withheld from progress payments pursuant to subsection 1.

↪ if, in the opinion of the public body, satisfactory progress is being made in the work.

~~{2.}~~ 3. *After determining in accordance with subsection 2 whether satisfactory progress is being made in the work, the public body may pay to the contractor an amount of any retainage that was withheld from progress payments pursuant to subsection 1 if:*

(a) A subcontractor has performed a portion of the work;

(b) The public body determines that the portion of the work has been completed in compliance with all applicable plans and specifications;

(c) The subcontractor submits to the contractor:

(1) A release of the subcontractor's claim for a mechanic's lien for the portion of the work; and

(2) From each of the subcontractor's subcontractors and suppliers who performed work or provided material for the portion of the work, a release of his or her claim for a mechanic's lien for the portion of the work; and

(d) The amount of the retainage which the public body pays is in proportion to the portion of the work which the subcontractor has performed.

4. *If, pursuant to subsection 3, the public body pays to the contractor an amount of any retainage that was withheld from progress payments pursuant to subsection 1 for the portion of the work which has been performed by the subcontractor, the contractor must pay to the subcontractor the portion of any retainage withheld by the contractor pursuant to NRS 338.555 for the portion of the work. If, pursuant to this subsection, the contractor pays to the subcontractor the portion of any retainage withheld by the contractor pursuant to NRS 338.555 for the portion of the work which has been performed by the subcontractor, the subcontractor must pay to the subcontractor's subcontractors and suppliers the portion of any retainage withheld by the subcontractor pursuant to NRS 338.595 for the portion of the work.*

5. *If , after determining in accordance with subsection 2 whether satisfactory progress is being made in the work, the public body continues to withhold retainage from remaining progress payments:*

(a) If the public body does not withhold any amount pursuant to NRS 338.525:

(1) The public body may not withhold more than 2.5 percent of the amount of any progress payment; and

(2) Before withholding any amount pursuant to subparagraph (1), the public body must pay to the contractor 50 percent of the amount of any retainage that was withheld from progress payments pursuant to subsection 1; or

(b) If the public body withholds any amount pursuant to NRS 338.525:

(1) The public body may not withhold more than 5 percent of the amount of any progress payment; and

(2) The public body may continue to retain the amount of any retainage that was withheld from progress payments pursuant to subsection 1.

~~{2-}~~ 6. Except as otherwise provided in NRS 338.525, a public body shall identify in the contract and pay or cause to be paid to a contractor the actual cost of the supplies, materials and equipment that:

(a) Are identified in the contract;

(b) Have been delivered and stored at a location, and in the time and manner, specified in a contract by the contractor or a subcontractor or supplier for use in a public work; and

(c) Are in short supply or were specially made for the public work,

↪ within 30 days after the public body receives a progress bill from the contractor for those supplies, materials or equipment.

~~{3-}~~ ~~{4-}~~ 7. A public body shall pay or cause to be paid to the contractor at the end of each quarter interest for the quarter on any amount withheld by the public body pursuant to NRS 338.400 to 338.645, inclusive, at a rate equal to the rate quoted by at least three insured banks, credit unions or savings and loan associations in this State as the highest rate paid on a certificate of deposit whose duration is approximately 90 days on the first day of the quarter. If the amount due to a contractor pursuant to this subsection for any quarter is less than \$500, the public body may hold the interest until:

(a) The end of a subsequent quarter after which the amount of interest due is \$500 or more;

(b) The end of the fourth consecutive quarter for which no interest has been paid to the contractor; or

(c) The amount withheld under the contract is due pursuant to NRS 338.520,

↪ whichever occurs first.

~~{4-}~~ ~~{5-}~~ 8. If the Labor Commissioner has reason to believe that a worker is owed wages by a contractor or subcontractor, the Labor

Commissioner may require the public body to withhold from any payment due the contractor under this section and pay the Labor Commissioner instead, an amount equal to the amount the Labor Commissioner believes the contractor owes to the worker. This amount must be paid by the Labor Commissioner to the worker if the matter is resolved in the worker's favor, otherwise it must be returned to the public body for payment to the contractor.

Sec. 2. NRS 338.530 is hereby amended to read as follows:

338.530 1. If a public body receives:

(a) A progress bill or retainage bill, fails to give a contractor a written notice of any withholding in the manner set forth in subsection 2 of NRS 338.525, and does not pay the contractor within 30 days after receiving the progress bill or retainage bill; or

(b) A contractor's written notice of the correction of a condition set forth pursuant to subsection 2 of NRS 338.525 as the reason for the withholding, signed by an authorized agent of the contractor, and fails to:

(1) Pay the amount of the progress payment or retainage payment that was withheld from the contractor within 30 days after the public body receives the next progress bill or retainage bill; or

(2) Object to the scope and manner of the correction, within 30 days after the public body receives the notice of correction, in a written statement that sets forth the reason for the objection and is signed by an authorized agent of the public body,

↪ the public body shall pay to the contractor, in addition to the entire amount of the progress bill or retainage bill or any unpaid portion thereof, interest from the 30th day on the amount delayed, at a rate equal to the amount provided for in subsection ~~[3]~~ 7 of NRS 338.515, until payment is made to the contractor.

2. If the public body objects pursuant to subparagraph (2) of paragraph (b) of subsection 1, it shall pay to the contractor an amount equal to the value of the corrections to which the public body does not object.

Sec. 3. NRS 338.555 is hereby amended to read as follows:

338.555 1. If a public body and a contractor enter into a contract for a public work, the contractor may withhold as retainage not more than ~~[10]~~ 5 percent from the amount of any progress payment due under a subcontract which is made before 50 percent of the work has been completed under the subcontract. ~~[Thereafter]~~

2. *After 50 percent of the work required by the contract has been performed,* the contractor shall pay any additional progress payments due under the subcontract without withholding any additional retainage if, in the opinion of the contractor, satisfactory progress is being made in the work

under the subcontract, and the payment must be equal to that paid by the public body to the contractor for the work performed by the subcontractor.

~~{2-}~~ *If the contractor continues to withhold retainage from remaining progress payments:*

(a) If the contractor does not withhold any amount pursuant to NRS 338.560:

(1) The contractor may not withhold more than 2.5 percent of the amount of any progress payment; and

(2) Before withholding any amount pursuant to subparagraph (1), the contractor must pay to the subcontractor 50 percent of the amount of any retainage that was withheld from progress payments pursuant to subsection 1; or

(b) If the contractor withholds any amount pursuant to NRS 338.560:

(1) The contractor may not withhold more than 5 percent of the amount of any progress payment; and

(2) The contractor may continue to retain the amount of any retainage that was withheld from progress payments pursuant to subsection 1.

3. If the contractor receives a payment of interest earned on the retainage or an amount withheld from a progress payment, the contractor shall, within 10 days after he or she receives the money, pay to each subcontractor or supplier that portion of the interest received from the public body which is attributable to the retainage or amount withheld from a progress payment by the contractor to the subcontractor or supplier.

Sec. 4. NRS 338.560 is hereby amended to read as follows:

338.560 1. A contractor may withhold from a progress payment or retainage payment an amount sufficient to pay:

(a) The expenses the contractor reasonably expects to incur as a result of the failure of his or her subcontractor or supplier to comply with the subcontract or applicable building code, law or regulation.

(b) An amount withheld from payment to the contractor by a public body pursuant to subsection ~~{4}~~ ~~{5}~~ 8 of NRS 338.515 for a claim for wages against the subcontractor.

2. A contractor shall, within 10 days after the contractor receives:

(a) A progress payment or retainage payment from the public body for an amount that is less than the amount set forth in the applicable progress bill or retainage bill; or

(b) A progress bill or retainage bill from his or her subcontractor or supplier,

➤ give a written notice to his or her subcontractor or supplier of any amount that will be withheld pursuant to this section.

3. The written notice must:

(a) Set forth:

(1) The amount of the progress payment or retainage payment that will be withheld from his or her subcontractor or supplier; and

(2) A detailed explanation of the reason the contractor will withhold that amount, including, without limitation, a specific reference to the provision or section of the subcontract, or documents related thereto, or applicable building code, law or regulation with which his or her subcontractor or supplier has failed to comply; and

(b) Be signed by an authorized agent of the contractor.

4. The contractor shall pay to his or her subcontractor or supplier the amount withheld by the public body or the contractor within 10 days after:

(a) The contractor receives a written notice of the correction of the condition that is the reason for the withholding, signed by an authorized agent of the subcontractor or supplier; or

(b) The public body pays to the contractor the amount withheld,
 ➡ whichever occurs later.

Sec. 5. NRS 338.595 is hereby amended to read as follows:

338.595 1. If a subcontractor and another subcontractor or supplier enter into a subcontract for a public work, the subcontractor may withhold as retainage not more than ~~{10}~~ 5 percent from the amount of any progress payment due under a subcontract which is made before 50 percent of the work has been completed under the subcontract. ~~{The}~~

2. *After 50 percent of the work required by the subcontractor or supplier has been performed, the subcontractor shall pay any additional progress payments due under the subcontract without withholding any additional retainage if, in the opinion of the subcontractor, satisfactory progress is being made in the work under the subcontract. The payment must be equal to that paid by the contractor to the subcontractor for the work performed or supplies provided by his or her subcontractor or supplier.*

~~{2-}~~ *If the subcontractor continues to withhold retainage from remaining progress payments:*

(a) *If the subcontractor does not withhold any amount pursuant to NRS 338.600:*

(1) *The subcontractor may not withhold more than 2.5 percent of the amount of any progress payment; and*

(2) *Before withholding any amount pursuant to subparagraph (1), the subcontractor must pay to the subcontractor or supplier 50 percent of the amount of any retainage that was withheld from progress payments pursuant to subsection 1; or*

(b) *If the subcontractor withholds any amount pursuant to NRS 338.600:*

(1) The subcontractor may not withhold more than 5 percent of the amount of any progress payment; and

(2) The subcontractor may continue to retain the amount of any retainage that was withheld from progress payments pursuant to subsection 1.

3. If the subcontractor receives a payment of interest earned on the retainage or an amount withheld from a progress payment, the subcontractor shall, within 10 days after receiving the money, pay to each of his or her subcontractors or suppliers that portion of the interest received from the contractor which is attributable to the retainage or amount withheld from a progress payment by the subcontractor to his or her subcontractor or supplier.

Sec. 6. This act becomes effective on October 1, 2011, and expires by limitation on July 1, 2015.

Assemblywoman Kirkpatrick moved that the Assembly concur in the Senate Amendment No. 631 to Assembly Bill No. 413.

Remarks by Assemblywoman Kirkpatrick.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 81.

The following Senate amendment was read:

Amendment No. 685.

AN ACT relating to elections; clarifying how a minor political party may be organized; revising certain requirements for petitions of referendum; revising provisions relating to counting ballots, posting voting results and recounts; providing that the residency of spouses of certain military personnel is not changed whether absent or present in this State; making various changes concerning campaign contributions and expenditures; making various other changes to provisions governing elections; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

In order to qualify to place the names of candidates on the ballot, under existing law, a minor political party must have filed with the Secretary of State a certificate of existence and a list of candidates. Also, the minor political party must have: (1) at the last preceding general election, polled for any of its candidates for partisan office a number of votes equal to or more than 1 percent of the total number of votes cast for the offices of Representative in Congress; (2) been designated as the political party on the applications to register to vote of at least 1 percent of the total number of registered voters in this State; or (3) filed a petition with the Secretary of State which is signed by a number of registered voters equal to at least 1 percent of the total number of votes cast at the last preceding election for the

offices of Representative of Congress. Alternatively, the minor political party may place the name of a candidate on the ballot if the minor political party has filed with the Secretary of State a certificate of existence and a petition on behalf of the candidate that it wants to place on the ballot containing a certain number of signatures. (NRS 293.1715) **Sections 16, 16.2 and 16.4** of this bill remove the option of a minor political party to place a candidate on the ballot by filing a petition on behalf of the candidate. **Sections 6 and 15-18** of this bill clarify that an organization is organized as a minor political party when it files a certificate of existence. A minor political party must still meet the other requirements in order to qualify to place candidates on the ballot.

Sections 7-12 and 64 of this bill provide that the signature and verification requirements for initiative petitions also apply to petitions for referendum.

Existing law provides the requirements for nominating candidates for office and placing candidates on the ballot for the general election. (NRS 293.165, 293.166, 293.368) **Sections 13, 14 and 25** of this bill move the date after which no change may be made on the ballot for the general election from the first Tuesday after the primary election to the fourth Friday in June of the year in which the general election is held.

Existing law provides that if a person willfully files a declaration or acceptance of candidacy that contains a false statement, the name of the person must not appear on the ballot for the election for which the person filed the declaration or acceptance of candidacy. (NRS 293.184, 293C.1865) **Sections 19 and 32** of this bill further require that if the name of such a person appears on the ballot because the deadline for making changes to the ballot has passed, the Secretary of State, county clerk or city clerk must inform voters by posting signs at polling places that the person is disqualified from entering upon the duties of office.

Section 21 of this bill allows a person to cast a primary ballot for a major political party only if the person is a member of that major political party.

Existing law sets forth procedures for depositing absent ballots in the ballot box, including verifying the absent voter's signature that appears on the back of the return envelope or facsimile. (NRS 293.333, 293C.332) Because certain military personnel and overseas citizens may return special absent ballots via approved electronic transmission other than facsimile, **sections 23 and 33** of this bill authorize the verification of the signature of these voters by comparing the signature from the special absent ballot or the oath of the voter that must be included in the special absent ballot with that on the original application to register to vote.

Existing law sets forth the period for early voting by personal appearance at a primary or general election, which excludes Sundays and state and

federal holidays. (NRS 293.3568, 293C.3568) **Sections 24 and 34** of this bill provide that state holidays are not excluded from that period.

Section 26 of this bill prohibits a county clerk from posting voting results for a statewide or multicounty race or ballot question until the Secretary of State notifies the county clerk that all polling places are closed and all votes have been cast.

Section 27 of this bill revises the procedure for demands for an election recount in a county or city using a mechanical voting system and for recounts affecting more than one county.

Existing law provides that a person does not gain or lose residence in the State by reason of his or her presence or absence while being employed in the military, naval or civil service of the United States or the State of Nevada or while engaged in the navigation of the waters of the United States or of the high seas. (NRS 293.487) **Section 30** of this bill provides that the spouse of such a person also does not gain or lose residence in the State.

Sections 36.5 and 39.5 of this bill differentiate between “campaign expenses” and “expenditures” for purposes of campaign reporting requirements.

Section 37 of this bill requires certain persons, committees for political action, political parties and committees of political parties that expend more than \$100 for the purpose of financing certain public communications to disclose on the communication the name of the person, committee or political party that paid for the communication.

Section 41.5 of this bill prohibits a person from making a contribution to a committee for political action with the knowledge and intent that the committee for political action will contribute that money to a specific candidate which, in combination with the total contributions already made by the person for the same election, would violate the limitations on contributions in existing law.

Section 49 of this bill provides that if a committee for political action fails to register with the Secretary of State before engaging in any activity within the State, the Secretary of State may impose on the committee a civil penalty for each time the committee engages in activity without being registered.

Sections 40, 44, 45, 47, 48, 50-53, 55, 59-62 and 69 of this bill repeal the term “business entity” and remove the term from provisions governing registration and campaign contribution and expenditure reporting. These entities, however, are not exempt from the provisions because they are business organizations included within the term “person” as defined in existing law. (NRS 294A.009)

Section 54 of this bill: (1) prohibits a candidate or public officer from using campaign contributions to pay civil or criminal penalties; and (2) authorizes a candidate or public officer to use campaign contributions to pay

for legal expenses that the candidate or public officer incurred in relation to a campaign or while serving in public office. Any such candidate or public officer is not required to establish a legal defense fund in order to use campaign contributions to pay for legal expenses, but **sections 29, 54, 56, 58, 59, 61 and 62** of this bill require the candidate or public officer to report the expenditure of such money on his or her campaign expenditure reports.

Section 58 of this bill adds contributions made to another candidate, a nonprofit corporation, a committee for political action or a committee for the recall of a public officer to the categories of expenditures that must be reported on campaign expenditure reports.

Section 59.5 of this bill requires the Secretary of State, for the purposes of implementing and administering the election laws, to consider whether organization of or actions taken by a group or entity are for the purpose of avoiding the limitations on campaign contributions.

Section 65 of this bill requires the affidavit executed by a circulator of a petition for initiative or referendum to include the contact information of the circulator and a statement that the circulator is at least 18 years of age.

Sections 65.5 and 66 of this bill: (1) clarify that a candidate for or person appointed to the office of Legislator is required to file a statement of financial disclosure with the Secretary of State; and (2) requires a public officer who leaves office to file a statement of financial disclosure on January 15th of the year immediately following the year in which the public officer leaves office unless the public officer leaves office before January 15 in the prior year.

Sections 67 and 68 of this bill require that candidates for city office in the cities of Carlin and Wells file declarations of candidacy at the same time as candidates for statewide office.

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

Section 1. Chapter 293 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *“Central counting place” means the location designated by the county or city clerk for the compilation of election returns.*

Sec. 3. *“Undervote” means a ballot that has been cast by a voter but shows no legally valid selection for any candidate for a particular office or for a ballot question.*

Sec. 4. (Deleted by amendment.)

Sec. 5. NRS 293.010 is hereby amended to read as follows:

293.010 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 293.013 to 293.121, inclusive, **and sections 2 and 3 of this act** have the meanings ascribed to them in those sections.

Sec. 6. NRS 293.066 is hereby amended to read as follows:

293.066 “Minor political party” means any organization which ~~[qualifies]~~ **is organized** as such pursuant to NRS 293.171.

Sec. 7. NRS 293.127561 is hereby amended to read as follows:

293.127561 1. The Legislature shall establish petition districts from which signatures for a petition for initiative **or referendum** that proposes a ~~[statute, an amendment to a statute or an amendment to the Constitution of this State]~~ **constitutional amendment or statewide measure** must be gathered. The petition districts must be established in a manner that is fair to all residents of the State, represent approximately equal populations and ensure that each signature is afforded the same weight.

2. Petition districts must be:

(a) Based on the population databases compiled by the Bureau of the Census of the United States Department of Commerce as validated and incorporated into the geographic information system by the Legislative Counsel Bureau for use by the Nevada Legislature.

(b) Designated in the maps filed with the Office of the Secretary of State pursuant to NRS 293.127562.

Sec. 8. NRS 293.127563 is hereby amended to read as follows:

293.127563 1. As soon as practicable after each general election, the Secretary of State shall determine the number of signatures required to be gathered from each petition district within the State for a petition for initiative **or referendum** that proposes a ~~[statute, an amendment to a statute or an amendment to the Constitution of this State]~~ **constitutional amendment or statewide measure**.

2. To determine the number of signatures required to be gathered from a petition district, the Secretary of State shall calculate the amount that equals 10 percent of the voters who voted in that petition district at the last preceding general election.

Sec. 9. NRS 293.1276 is hereby amended to read as follows:

293.1276 1. Within 4 days, excluding Saturdays, Sundays and holidays, after the submission of a petition containing signatures which are required to be verified pursuant to NRS 293.128, 293.165, 293.172, 293.200, 295.056, 298.109, 306.035 or 306.110, the county clerk shall determine the total number of signatures affixed to the documents and, in the case of a petition for **initiative or referendum** proposing a ~~[statute, an amendment to a statute or an amendment to the Constitution]~~ **constitutional amendment or statewide measure**, shall tally the number of signatures for each petition

district contained fully or partially within the county and forward that information to the Secretary of State.

2. If the Secretary of State finds that the total number of signatures filed with all the county clerks is less than 100 percent of the required number of registered voters, the Secretary of State shall so notify the person who submitted the petition and the county clerks and no further action may be taken in regard to the petition. If the petition is a petition to recall a county, district or municipal officer, the Secretary of State shall also notify the officer with whom the petition is to be filed.

3. After the petition is submitted to the county clerk, it must not be handled by any other person except by an employee of the county clerk's office until it is filed with the Secretary of State.

Sec. 10. NRS 293.1277 is hereby amended to read as follows:

293.1277 1. If the Secretary of State finds that the total number of signatures submitted to all the county clerks is 100 percent or more of the number of registered voters needed to declare the petition sufficient, the Secretary of State shall immediately so notify the county clerks. Within 9 days, excluding Saturdays, Sundays and holidays, after notification, each of the county clerks shall determine the number of registered voters who have signed the documents submitted in the county clerk's county and, in the case of a petition *for initiative or referendum* proposing a ~~[statute, an amendment to a statute or an amendment to the Constitution,]~~ **constitutional amendment or statewide measure**, shall tally the number of signatures for each petition district contained or fully contained within the county clerk's county.

2. If more than 500 names have been signed on the documents submitted to a county clerk, the county clerk shall examine the signatures by sampling them at random for verification. The random sample of signatures to be verified must be drawn in such a manner that every signature which has been submitted to the county clerk is given an equal opportunity to be included in the sample. The sample must include an examination of at least 500 or 5 percent of the signatures, whichever is greater.

3. In determining from the records of registration the number of registered voters who signed the documents, the county clerk may use the signatures contained in the file of applications to register to vote. If the county clerk uses that file, the county clerk shall ensure that every application in the file is examined, including any application in his or her possession which may not yet be entered into the county clerk's records. The county clerk shall rely only on the appearance of the signature and the address and date included with each signature in making his or her determination.

4. In the case of a petition *for initiative or referendum* proposing a ~~[statute, an amendment to a statute or an amendment to the Constitution,]~~

constitutional amendment or statewide measure, when the county clerk is determining the number of registered voters who signed the documents from each petition district contained fully or partially within the county clerk's county, he or she must use the statewide voter registration list available pursuant to NRS 293.675.

5. Except as otherwise provided in subsection 7, upon completing the examination, the county clerk shall immediately attach to the documents a certificate properly dated, showing the result of the examination, including the tally of signatures by petition district, if required, and transmit the documents with the certificate to the Secretary of State. ~~[[H]] In the case of a petition for initiative or referendum proposing a constitutional amendment or statewide measure, if~~ a petition district comprises more than one county, ~~[and the petition proposes a statute, an amendment to a statute or an amendment to the Constitution,]~~ the appropriate county clerks shall comply with the regulations adopted by the Secretary of State pursuant to this section to complete the certificate. A copy of this certificate must be filed in the clerk's office. When the county clerk transmits the certificate to the Secretary of State, the county clerk shall notify the Secretary of State of the number of requests to remove a name received by the county clerk pursuant to NRS 295.055 or 306.015.

6. A person who submits a petition to the county clerk which is required to be verified pursuant to NRS 293.128, 293.165, 293.172, 293.200, 295.056, 298.109, 306.035 or 306.110 must be allowed to witness the verification of the signatures. A public officer who is the subject of a recall petition must also be allowed to witness the verification of the signatures on the petition.

7. For any petition containing signatures which are required to be verified pursuant to the provisions of NRS 293.165, 293.200, 306.035 or 306.110 for any county, district or municipal office within one county, the county clerk shall not transmit to the Secretary of State the documents containing the signatures of the registered voters.

8. The Secretary of State shall by regulation establish further procedures for carrying out the provisions of this section.

Sec. 11. NRS 293.1278 is hereby amended to read as follows:

293.1278 1. If the certificates received by the Secretary of State from all the county clerks establish that the number of valid signatures is less than 90 percent of the required number of registered voters, the petition shall be deemed to have failed to qualify, and the Secretary of State shall immediately so notify the petitioners and the county clerks.

2. If those certificates establish that the number of valid signatures is equal to or more than the sum of 100 percent of the number of registered voters needed to make the petition sufficient plus the total number of requests to remove a name received by the county clerks pursuant to NRS 295.055 or

306.015 and, in the case of a petition *for initiative or referendum* proposing a ~~statute, an amendment to a statute or an amendment to the Constitution,~~ **constitutional amendment or statewide measure**, that the petition has the minimum number of signatures required for each petition district, the petition shall be deemed to qualify as of the date of receipt by the Secretary of State of those certificates, and the Secretary of State shall immediately so notify the petitioners and the county clerks.

3. If the certificates establish that the petitioners have 100 percent or more of the number of registered voters needed to make the petition sufficient but the petition fails to qualify pursuant to subsection 2, each county clerk who received a request to remove a name pursuant to NRS 295.055 or 306.015 shall remove each name as requested, amend the certificate and transmit the amended certificate to the Secretary of State. If the amended certificates establish that the petitioners have 100 percent or more of the number of registered voters needed to make the petition sufficient and, in the case of a petition *for initiative or referendum* proposing a ~~statute, an amendment to a statute or an amendment to the Constitution,~~ **constitutional amendment or statewide measure**, that the petition has the minimum number of signatures required for each petition district, the petition shall be deemed to qualify as of the date of receipt by the Secretary of State of the amended certificates, and the Secretary of State shall immediately so notify the petitioners and the county clerks.

Sec. 12. NRS 293.1279 is hereby amended to read as follows:

293.1279 1. If the statistical sampling shows that the number of valid signatures filed is 90 percent or more, but less than the sum of 100 percent of the number of signatures of registered voters needed to declare the petition sufficient plus the total number of requests to remove a name received by the county clerks pursuant to NRS 295.055 or 306.015, the Secretary of State shall order the county clerks to examine the signatures for verification. The county clerks shall examine the signatures for verification until they determine that 100 percent of the number of signatures of registered voters needed to declare the petition sufficient are valid. If the county clerks received a request to remove a name pursuant to NRS 295.055 or 306.015, the county clerks may not determine that 100 percent of the number of signatures of registered voters needed to declare the petition sufficient are valid until they have removed each name as requested pursuant to NRS 295.055 or 306.015.

2. Except as otherwise provided in this subsection, if the statistical sampling shows that the number of valid signatures filed in any county is 90 percent or more but less than the sum of 100 percent of the number of signatures of registered voters needed to constitute 10 percent of the number of voters who voted at the last preceding general election in that county plus

the total number of requests to remove a name received by the county clerk in that county pursuant to NRS 295.055 or 306.015, the Secretary of State may order the county clerk in that county to examine every signature for verification. If the county clerk received a request to remove a name pursuant to NRS 295.055 or 306.015, the county clerk may not determine that 100 percent or more of the number of signatures of registered voters needed to constitute 10 percent of the number of voters who voted at the last preceding general election in that county are valid until the county clerk has removed each name as requested pursuant to NRS 295.055 or 306.015. In the case of a petition for initiative *or referendum* that proposes a ~~[statute, an amendment to a statute or an amendment to the Constitution of this State,]~~ **constitutional amendment or statewide measure**, if the statistical sampling shows that the number of valid signatures in any petition district is 90 percent or more but less than the sum of 100 percent of the number of signatures of registered voters required for that petition district pursuant to NRS 295.012 plus the total number of requests to remove a name received by the county clerk or county clerks, if the petition district comprises more than one county, pursuant to NRS 295.055, the Secretary of State may order a county clerk to examine every signature for verification.

3. Within 12 days, excluding Saturdays, Sundays and holidays, after receipt of such an order, the county clerk or county clerks shall determine from the records of registration what number of registered voters have signed the petition and, if appropriate, tally those signatures by petition district. If necessary, the board of county commissioners shall allow the county clerk additional assistants for examining the signatures and provide for their compensation. In determining from the records of registration what number of registered voters have signed the petition and in determining in which petition district the voters reside, the county clerk must use the statewide voter registration list. The county clerk may rely on the appearance of the signature and the address and date included with each signature in determining the number of registered voters that signed the petition.

4. Except as otherwise provided in subsection 5, upon completing the examination, the county clerk or county clerks shall immediately attach to the documents of the petition an amended certificate, properly dated, showing the result of the examination and shall immediately forward the documents with the amended certificate to the Secretary of State. A copy of the amended certificate must be filed in the county clerk's office. In the case of a petition *for initiative or referendum* to propose a ~~[statute, an amendment to a statute or an amendment to the Constitution,]~~ **constitutional amendment or statewide measure**, if a petition district comprises more than one county, the county clerks shall comply with the regulations adopted by the Secretary of State pursuant to this section to complete the amended certificate.

5. For any petition containing signatures which are required to be verified pursuant to the provisions of NRS 293.165, 293.200, 306.035 or 306.110 for any county, district or municipal office within one county, the county clerk shall not forward to the Secretary of State the documents containing the signatures of the registered voters.

6. Except for a petition to recall a county, district or municipal officer, the petition shall be deemed filed with the Secretary of State as of the date on which the Secretary of State receives certificates from the county clerks showing the petition to be signed by the requisite number of voters of the State.

7. If the amended certificates received from all county clerks by the Secretary of State establish that the petition is still insufficient, the Secretary of State shall immediately so notify the petitioners and the county clerks. If the petition is a petition to recall a county, district or municipal officer, the Secretary of State shall also notify the officer with whom the petition is to be filed.

8. The Secretary of State shall adopt regulations to carry out the provisions of this section.

Sec. 13. NRS 293.165 is hereby amended to read as follows:

293.165 1. Except as otherwise provided in NRS 293.166, a vacancy occurring in a major or minor political party nomination for a partisan office may be filled by a candidate designated by the party central committee of the county or State, as the case may be, of the major political party or by the executive committee of the minor political party subject to the provisions of subsections 4 and 5.

2. A vacancy occurring in a nonpartisan nomination after the close of filing and on or before 5 p.m. of the second Tuesday in April must be filled by filing a nominating petition that is signed by registered voters of the State, county, district or municipality who may vote for the office in question. The number of registered voters who sign the petition must not be less than 1 percent of the number of persons who voted for the office in question in the State, county, district or municipality at the last preceding general election. The petition must be filed not earlier than the first Tuesday in March and not later than the fourth Tuesday in April. The petition may consist of more than one document. Each document must bear the name of one county and must be signed only by a person who is a registered voter of that county and who may vote for the office in question. Each document of the petition must be submitted for verification pursuant to NRS 293.1276 to 293.1279, inclusive, to the county clerk of the county named on the document. A candidate nominated pursuant to the provisions of this subsection:

(a) Must file a declaration of candidacy or acceptance of candidacy and pay the statutory filing fee on or before the date the petition is filed; and

(b) May be elected only at a general election, and the candidate's name must not appear on the ballot for a primary election.

3. A vacancy occurring in a nonpartisan nomination after 5 p.m. of the second Tuesday in April and on or before 5 p.m. on the ~~[first Tuesday after the primary election]~~ ***fourth Friday in June of the year in which the general election is held*** must be filled by the person who receives the next highest vote for the nomination in the primary.

4. No change may be made on the ballot for the general election after 5 p.m. on the ~~[first Tuesday after the primary election]~~ ***fourth Friday in June of the year in which the general election is held***. If a nominee dies after that time and date, the nominee's name must remain on the ballot for the general election and, if elected, a vacancy exists.

5. All designations provided for in this section must be filed on or before 5 p.m. on the ~~[first Tuesday after the primary election]~~ ***fourth Friday in June of the year in which the general election is held***. In each case, the statutory filing fee must be paid and an acceptance of the designation must be filed on or before 5 p.m. on the date the designation is filed.

Sec. 14. NRS 293.166 is hereby amended to read as follows:

293.166 1. A vacancy occurring in a party nomination for the office of State Senator, Assemblyman or Assemblywoman from a legislative district comprising more than one county may be filled as follows, subject to the provisions of subsections 2 and 3. The county commissioners of each county, all or part of which is included within the legislative district, shall meet to appoint a person who is of the same political party as the former nominee and who actually, as opposed to constructively, resides in the district to fill the vacancy, with the chair of the board of county commissioners of the county whose population residing within the district is the greatest presiding. Each board of county commissioners shall first meet separately and determine the single candidate it will nominate to fill the vacancy. Then, the boards shall meet jointly and the chairs on behalf of the boards shall cast a proportionate number of votes according to the percent, rounded to the nearest whole percent, which the population of its county is of the population of the entire district. Populations must be determined by the last decennial census or special census conducted by the Bureau of the Census of the United States Department of Commerce. The person who receives a plurality of these votes is appointed to fill the vacancy. If no person receives a plurality of the votes, the boards of county commissioners of the respective counties shall each as a group select one candidate, and the nominee must be chosen by drawing lots among the persons so selected.

2. No change may be made on the ballot after the ~~[first Tuesday after the primary election]~~ ***fourth Friday in June*** of the year in which the general

election is held. If a nominee dies after that date, the nominee's name must remain on the ballot and, if elected, a vacancy exists.

3. The designation of a nominee pursuant to this section must be filed with the Secretary of State *on or* before 5 p.m. on the ~~[[first Tuesday after the primary election,]]~~ ***fourth Friday in June of the year in which the general election is held***, and the statutory filing fee must be paid with the designation.

Sec. 15. NRS 293.171 is hereby amended to read as follows:

293.171 1. To ~~qualify~~ ***be organized*** as a minor political party, an organization must file with the Secretary of State a certificate of existence which includes the:

- (a) Name of the political party;
- (b) Names of its officers;
- (c) Names of the members of its executive committee; and
- (d) Name of the person authorized to file the list of its candidates for partisan office with the Secretary of State.

2. A copy of the constitution or bylaws of the party must be affixed to the certificate.

3. A minor political party shall file with the Secretary of State an amended certificate of existence within 5 days after any change in the information contained in the certificate.

4. The constitution or bylaws of a minor political party must provide a procedure for the nomination of its candidates in such a manner that only one candidate may be nominated for each office.

5. A minor political party whose candidates for partisan office do not appear on the ballot for the general election must file a notice of continued existence with the Secretary of State not later than the second Friday in August preceding the general election.

6. A minor political party which fails to file a notice of continued existence as required by subsection 5 ceases to exist as a minor political party in this State.

Sec. 16. NRS 293.1715 is hereby amended to read as follows:

293.1715 1. The names of the candidates for partisan office of a minor political party must not appear on the ballot for a primary election.

2. The names of the candidates for partisan office of a minor political party must be placed on the ballot for the general election if the *minor political* party ~~has~~ ***is qualified. To qualify as a minor political party, the minor political party must have*** filed a certificate of existence and ***be organized pursuant to NRS 293.171, must have filed*** a list of its candidates for partisan office pursuant to the provisions of NRS 293.1725 with the Secretary of State and:

(a) At the last preceding general election, the minor political party *must have* polled for any of its candidates for partisan office a number of votes equal to or more than 1 percent of the total number of votes cast for the offices of Representative in Congress;

(b) On January 1 preceding a primary election, the minor political party ~~has~~ *must have* been designated as the political party on the applications to register to vote of at least 1 percent of the total number of registered voters in this State; or

(c) Not later than the ~~second~~ *third* Friday in ~~June~~ *May* preceding the general election, ~~files~~ *must file* a petition with the Secretary of State which is signed by a number of registered voters equal to at least 1 percent of the total number of votes cast at the last preceding general election for the offices of Representative in Congress.

3. ~~The name of a candidate for partisan office for a minor political party other than a candidate for the office of President or Vice President of the United States must be placed on the ballot for the general election if the party has filed:~~

~~(a) A certificate of existence;~~

~~(b) A list of candidates for partisan office containing the name of the candidate pursuant to the provisions of NRS 293.1725 with the Secretary of State; and~~

~~(c) Not earlier than the first Monday in March preceding the general election and not later than 5 p.m. on the second Friday after the first Monday in March, a petition on behalf of the candidate with the Secretary of State containing not less than:~~

~~(1) Two hundred fifty signatures of registered voters if the candidate is to be nominated for a statewide office; or~~

~~(2) One hundred signatures of registered voters if the candidate is to be nominated for any office except a statewide office.~~

~~➔ A minor political party that places names of one or more candidates for partisan office on the ballot pursuant to this subsection may also place the names of one or more candidates for partisan office on the ballot pursuant to subsection 2.~~

4.] The name of only one candidate of each minor political party for each partisan office may appear on the ballot for a general election.

~~{5.}~~ 4. A minor political party must file a copy of the petition required by paragraph (c) of subsection 2 ~~for paragraph (c) of subsection 3~~ with the Secretary of State before the petition may be circulated for signatures.

Sec. 16.2. NRS 293.172 is hereby amended to read as follows:

293.172 1. A petition filed pursuant to subsection 2 ~~for 3~~ of NRS 293.1715 may consist of more than one document. Each document of the petition must:

(a) Bear the name of the minor political party and, if applicable, the candidate and office to which the candidate is to be nominated.

(b) Include the affidavit of the person who circulated the document verifying that the signers are registered voters in this State according to his or her best information and belief and that the signatures are genuine and were signed in his or her presence.

(c) Bear the name of a county and be submitted to the county clerk of that county for verification in the manner prescribed in NRS 293.1276 to 293.1279, inclusive, not later than 25 working days before the last day to file the petition. A challenge to the form of a document must be made in a district court in the county that is named on the document.

(d) Be signed only by registered voters of the county that is named on the document.

2. If the office to which the candidate is to be nominated is a county office, only the registered voters of that county may sign the petition. If the office to which the candidate is to be nominated is a district office, only the registered voters of that district may sign the petition.

3. Each person who signs a petition shall also provide the address of the place where he or she resides, the date that he or she signs and the name of the county in which he or she is registered to vote.

4. The county clerk shall not disqualify the signature of a voter who failed to provide all the information required by subsection 3 if the voter is registered in the county named on the document.

Sec. 16.4. NRS 293.1725 is hereby amended to read as follows:

293.1725 1. Except as otherwise provided in subsection 4, a minor political party that wishes to place its candidates for partisan office on the ballot for a general election and:

(a) Is entitled to do so pursuant to paragraph (a) or (b) of subsection 2 of NRS 293.1715; *or*

(b) Files or will file a petition pursuant to paragraph (c) of subsection 2 of NRS 293.1715, ~~for~~

~~(c) Whose candidates are entitled to appear on the ballot pursuant to subsection 3 of NRS 293.1715;~~

↪ must file with the Secretary of State a list of its candidates for partisan office not earlier than the first Monday in March preceding the election nor later than 5 p.m. on the second Friday after the first Monday in March. The list must be signed by the person so authorized in the certificate of existence of the minor political party before a notary public or other person authorized to take acknowledgments. ~~[The Secretary of State shall strike from the list each candidate who is not entitled to appear on the ballot pursuant to subsection 3 of NRS 293.1715 if the minor political party is not entitled to place candidates on the ballot pursuant to subsection 2 of NRS 293.1715.]~~

The list may be amended not later than 5 p.m. on the second Friday after the first Monday in March.

2. The Secretary of State shall immediately forward a certified copy of the list of candidates for partisan office of each minor political party to the filing officer with whom each candidate must file his or her declaration of candidacy.

3. Each candidate on the list must file his or her declaration of candidacy with the appropriate filing officer and pay the fee required by NRS 293.193 not earlier than the date on which the list of candidates for partisan office of the minor political party is filed with the Secretary of State nor later than 5 p.m. on the second Friday after the first Monday in March.

4. A minor political party that wishes to place candidates for the offices of President and Vice President of the United States on the ballot and has qualified to place the names of its candidates for partisan office on the ballot for the general election pursuant to subsection 2 of NRS 293.1715 must file with the Secretary of State a certificate of nomination for these offices not later than the first Tuesday in September.

Sec. 17. NRS 293.174 is hereby amended to read as follows:

293.174 ~~{1-}~~ If the qualification of a minor political party *to place the names of candidates on the ballot pursuant to NRS 293.1715* is challenged, all affidavits and documents in support of the challenge must be filed not later than 5 p.m. on the third Friday in June. Any judicial proceeding resulting from the challenge must be set for hearing not more than 5 days after the third Friday in June. A challenge pursuant to this ~~{subsection}~~ **section** must be filed with the First Judicial District Court if the petition was filed with the Secretary of State.

~~{2- If the qualification of a candidate of a minor political party other than a candidate for the office of President or Vice President of the United States is challenged, all affidavits and documents in support of the challenge must be filed not later than 5 p.m. on the fourth Monday in March. Any judicial proceeding resulting from the challenge must be set for hearing not more than 5 days after the fourth Monday in March. A challenge pursuant to this subsection must be filed with:~~

~~(a) The First Judicial District Court; or~~

~~(b) If a candidate who filed a declaration of candidacy with a county clerk is challenged, the district court for the county where the declaration of candidacy was filed.]~~

Sec. 18. NRS 293.176 is hereby amended to read as follows:

293.176 1. Except as otherwise provided in subsection 2, no person may be a candidate of a major political party for partisan office in any election if the person has changed:

(a) The designation of his or her political party affiliation; or

(b) His or her designation of political party from nonpartisan to a designation of a political party affiliation,

↪ on an application to register to vote in the State of Nevada or in any other state during the time beginning on December 31 preceding the closing filing date for that election and ending on the date of that election whether or not the person's previous registration was still effective at the time of the change in party designation.

2. The provisions of subsection 1 do not apply to any person who is a candidate of a political party that ~~was~~ is not ~~qualified~~ **organized** pursuant to NRS 293.171 on the December 31 next preceding the closing filing date for the election.

Sec. 19. NRS 293.184 is hereby amended to read as follows:

293.184 **1.** In addition to any other penalty provided by law, if a person ~~knowingly and~~ willfully files a declaration of candidacy or acceptance of candidacy ~~which~~ **knowing that the declaration of candidacy or acceptance of candidacy** contains a false statement:

~~{1.—The}~~

(a) Except as otherwise provided in NRS 293.165 and 293.166, the name of the person must not appear on any ballot for the election for which the person filed the declaration of candidacy or acceptance of candidacy; and

~~{2.—}~~ **(b)** The person is disqualified from entering upon the duties of the office for which he or she was a candidate.

2. If the name of a person who is disqualified from entering upon the duties of an office pursuant to subsection 1 appears on a ballot for the election is disqualified because the deadline set forth in NRS 293.165 and 293.166 for making changes to the ballot has passed, the Secretary of State and county clerk must post a sign at each polling place where the person's name will appear on the ballot informing voters that the person is disqualified from entering upon the duties of office.

Sec. 20. (Deleted by amendment.)

Sec. 21. NRS 293.257 is hereby amended to read as follows:

293.257 **1.** There must be a separate primary ballot for each major political party. The names of candidates for partisan offices who have designated a major political party in the declaration of candidacy or acceptance of candidacy must appear on the primary ballot of the major political party designated.

2. The county clerk may choose to place the names of candidates for nonpartisan offices on the ballots for each major political party or on a separate nonpartisan primary ballot, but the arrangement which the county clerk selects must permit all registered voters to vote on them.

3. A registered voter may cast a primary ballot for a major political party at a primary election only if the registered voter designated on his or

her application to register to vote an affiliation with that major political party.

Sec. 22. (Deleted by amendment.)

Sec. 23. NRS 293.333 is hereby amended to read as follows:

293.333 On the day of an election, the precinct or district election boards receiving the absent voters' ballots from the county clerk shall, in the presence of a majority of the election board officers, remove the ballots from the ballot box and the containers in which the ballots were transported pursuant to NRS 293.325 and deposit the ballots in the regular ballot box in the following manner:

1. The name of the voter, as shown on the return envelope , ~~for~~ facsimile, *special absent ballot or oath of the voter required pursuant to NRS 293.3157, as applicable*, must be called and checked as if the voter were voting in person;

2. The signature on the back of the return envelope or on the facsimile , *special absent ballot or oath of the voter required pursuant to NRS 293.3157, as applicable*, must be compared with that on the original application to register to vote;

3. If the board determines that the absent voter is entitled to cast a ballot, the envelope must be opened, the numbers on the ballot and envelope compared, the number strip or stub detached from the ballot and, if the numbers are the same, the ballot deposited in the regular ballot box; and

4. The election board officers shall mark in the roster opposite the name of the voter the word "Voted."

Sec. 24. NRS 293.3568 is hereby amended to read as follows:

293.3568 1. The period for early voting by personal appearance begins the third Saturday preceding a primary or general election and extends through the Friday before election day, Sundays and *federal* holidays excepted.

2. The county clerk may:

(a) Include any Sunday or *federal* holiday that falls within the period for early voting by personal appearance.

(b) Require a permanent polling place for early voting to remain open until 8 p.m. on any Saturday that falls within the period for early voting.

3. A permanent polling place for early voting must remain open:

(a) On Monday through Friday:

(1) During the first week of early voting, from 8 a.m. until 6 p.m.

(2) During the second week of early voting, from 8 a.m. until 6 p.m., or until 8 p.m. if the county clerk so requires.

(b) On any Saturday that falls within the period for early voting, for at least 4 hours between 10 a.m. and 6 p.m.

(c) If the county clerk includes a Sunday that falls within the period for early voting pursuant to subsection 2, during such hours as the county clerk may establish.

Sec. 25. NRS 293.368 is hereby amended to read as follows:

293.368 1. Whenever a candidate whose name appears upon the ballot at a primary election dies after 5 p.m. of the second Tuesday in April, the deceased candidate's name must remain on the ballot and the votes cast for the deceased candidate must be counted in determining the nomination for the office for which the decedent was a candidate.

2. If the deceased candidate on the ballot at the primary election receives the number of votes required to receive the nomination to the office for which he or she was a candidate, except as otherwise provided in subsection 3 of NRS 293.165, the deceased candidate shall be deemed nominated and the vacancy in the nomination must be filled as provided in NRS 293.165 or 293.166. If the deceased person was a candidate for a nonpartisan office, the nomination must be filled pursuant to subsection 2 of NRS 293.165.

3. Whenever a candidate whose name appears upon the ballot at a general election dies after 5 p.m. on the ~~{first Tuesday after the primary election,}~~ **fourth Friday in June of the year in which the general election is held**, the votes cast for the deceased candidate must be counted in determining the results of the election for the office for which the decedent was a candidate.

4. If the deceased candidate on the ballot at the general election receives the majority of the votes cast for the office, the deceased candidate shall be deemed elected and the office to which he or she was elected shall be deemed vacant at the beginning of the term for which he or she was elected. The vacancy thus created must be filled in the same manner as if the candidate had died after taking office for that term.

Sec. 26. NRS 293.383 is hereby amended to read as follows:

293.383 1. Except as otherwise provided in ~~{subsection 2,}~~ **this section**, each counting board, before it adjourns, shall post a copy of the voting results in a conspicuous place on the outside of the place where the votes were counted.

2. ~~{When}~~ **Except as otherwise provided in subsection 3, when** votes are cast on ballots which are mechanically or electronically tabulated in accordance with the provisions of chapter 293B of NRS, the county clerk shall, as soon as possible, post copies of the tabulated voting results in a conspicuous place on the outside of the counting facility or courthouse.

3. **The Secretary of State shall notify each county clerk as soon as is reasonably practicable when every polling place is closed and all votes have been cast. A county clerk shall not post copies of the tabulated voting results for a statewide or multicounty race or ballot question until the**

county clerk has received notification from the Secretary of State that all polling places are closed and all votes have been cast.

4. Each copy of the voting results posted in accordance with subsections 1, ~~and 2~~ **and 3** must set forth the accumulative total of all the votes cast within the county or other political subdivision conducting the election and must be signed by the members of the counting board or the computer program and processing accuracy board.

Sec. 27. NRS 293.404 is hereby amended to read as follows:

293.404 1. Where a recount is demanded pursuant to the provisions of NRS 293.403, the:

(a) County clerk of each county affected by the recount shall employ a recount board to conduct the recount in the county, and shall act as chair of the recount board unless the recount is for the office of county clerk, in which case the registrar of voters of the county, if a registrar of voters has been appointed for the county, shall act as chair of the recount board. If a registrar of voters has not been appointed for the county, the chair of the board of county commissioners, if the chair is not a candidate on the ballot, shall act as chair of the recount board. If the recount is for the office of county clerk, a registrar of voters has not been appointed for the county and the chair of the board of county commissioners is a candidate on the ballot, the chair of the board of county commissioners shall appoint another member of the board of county commissioners who is not a candidate on the ballot to act as chair of the recount board. A member of the board of county commissioners who is a candidate on the ballot may not serve as a member of the recount board.

(b) City clerk shall employ a recount board to conduct the recount in the city, and shall act as chair of the recount board unless the recount is for the office of city clerk, in which case the mayor of the city, if the mayor is not a candidate on the ballot, shall act as chair of the recount board. If the recount is for the office of city clerk and the mayor of the city is a candidate on the ballot, the mayor of the city shall appoint another member of the city council who is not a candidate on the ballot to act as chair of the recount board. A member of the city council who is a candidate on the ballot may not serve as a member of the recount board.

2. Each candidate for the office affected by the recount and the voter who demanded the recount, if any, may be present in person or by an authorized representative, but may not be a member of the recount board.

3. Except in counties or cities using a mechanical voting system, the recount must include a count and inspection of all ballots, including rejected ballots, and must determine whether those ballots are marked as required by law.

4. If a recount is demanded in a county or city using a mechanical voting system, the person who demanded the recount shall select the ballots for the office or ballot question affected from 5 ~~[-]~~ percent of the ***total number of precincts*** ~~[-]~~ ***for that particular office or ballot question***, but in no case fewer than three precincts, after notification to each candidate for the office or the candidate's authorized representative.

5. The recount board shall examine the selected ballots, including any duplicate or rejected ballots, shall determine whether the ballots have been voted in accordance with this title and shall ~~[count]~~ ***recount*** the valid ballots ~~[by hand. In addition, a recount by computer must be made of all the selected ballots.]~~ ***in the same manner in which the ballots were originally tabulated.*** If the ~~[count by hand or the]~~ recount ~~[by computer]~~ of the selected ballots ***for all 5 percent of the precincts selected*** shows a ***total combined*** discrepancy of ***all precincts selected*** equal to or greater than 1 percent or five votes, whichever is greater, for the candidate demanding the recount or the candidate who won the election according to the original canvass of the returns, or in favor of or against a ballot question, according to the original canvass of the returns, the county or city clerk , ***as applicable***, shall ***determine whether the person who demanded the recount is entitled to a recount and, if so, shall*** order a ~~[count by hand]~~ ***recount*** of all the ballots for that office or ballot question. ~~[Otherwise, the county or city clerk shall order a recount by computer of all the ballots for all candidates for the office or all the ballots for the ballot question.]~~

~~{5-}~~ 6. The county or city clerk shall unseal and give to the recount board all ballots to be counted.

~~{6-}~~ 7. In the case of a demand for a recount affecting more than one county, ***including, without limitation, a statewide office or a ballot question***, the demand must be made to the Secretary of State . ***The person who demanded the recount shall select the ballots for the statewide office or ballot question affected from 5 percent of the total number of precincts for that particular office or ballot question after notification to each candidate for the office or the candidate's representative. The Secretary of State shall notify the county clerks*** ~~[to proceed with the recount.]~~ ***of the 5 percent of statewide precincts selected by the person who demanded the recount to examine the ballots in accordance with the provisions of this section and to notify the Secretary of State of the results of the recount in their respective precincts. If the separate examinations, when combined, show a total discrepancy equal to or greater than 1 percent for the candidate demanding the recount or the candidate who won the election, according to the original canvass of the returns, or in favor of or against a ballot question, according to the original canvass of the returns, the Secretary of State shall determine whether the person who demanded the***

recount is entitled to a recount and, if so, shall order the county or city clerk, as applicable, to recount all the ballots for that office or ballot question.

8. The Secretary of State may adopt regulations to carry out the provisions of this section.

Sec. 28. (Deleted by amendment.)

Sec. 29. NRS 293.4687 is hereby amended to read as follows:

293.4687 1. The Secretary of State shall maintain a website on the Internet for public information maintained, collected or compiled by the Secretary of State that relates to elections, which must include, without limitation:

(a) The Voters' Bill of Rights required to be posted on the Secretary of State's Internet website pursuant to the provisions of NRS 293.2549;

(b) The abstract of votes required to be posted on a website pursuant to the provisions of NRS 293.388;

(c) A current list of the registered voters in this State that also indicates the petition district in which each registered voter resides;

(d) A map or maps indicating the boundaries of each petition district; and

(e) All reports on campaign contributions and expenditures submitted to the Secretary of State pursuant to the provisions of NRS 294A.120, 294A.125, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283, 294A.360 and 294A.362 and all reports on contributions received by and expenditures made from a legal defense fund ***or used to pay for legal expenses*** submitted to the Secretary of State pursuant to NRS 294A.286.

2. The abstract of votes required to be maintained on the website pursuant to paragraph (b) of subsection 1 must be maintained in such a format as to permit the searching of the abstract of votes for specific information.

3. If the information required to be maintained by the Secretary of State pursuant to subsection 1 may be obtained by the public from a website on the Internet maintained by a county clerk or city clerk, the Secretary of State may provide a hyperlink to that website to comply with the provisions of subsection 1 with regard to that information.

Sec. 30. NRS 293.487 is hereby amended to read as follows:

293.487 No person may gain or lose residence by reason of his or her presence or absence while ~~employed~~:

1. *Employed* in the military, naval or civil service of the United States or of the State of Nevada, or while engaged in the navigation of the waters of the United States or of the high seas ~~[, or while a]~~ ***or while married to another person who is so employed or engaged;***

2. A student at any seminary or other institution of learning ~~[, or while an]; or~~

3. An inmate of any public institution.

Sec. 31. (Deleted by amendment.)

Sec. 32. NRS 293C.1865 is hereby amended to read as follows:

293C.1865 **1.** In addition to any other penalty provided by law, if a person ~~[knowingly and]~~ willfully files a declaration of candidacy or acceptance of candidacy ~~[which]~~ **knowing that the declaration of candidacy or acceptance of candidacy** contains a false statement:

~~[1.—The]~~

(a) **Except as otherwise provided in NRS 293.165 or 293.166, the** name of the person must not appear on any ballot for the election for which the person filed the declaration of candidacy or acceptance of candidacy; and

~~[2.—]~~ (b) The person is disqualified from entering upon the duties of the office for which he or she was a candidate.

2. If the name of a person who is disqualified from entering upon the duties of an office pursuant to subsection 1 appears on a ballot for the election is disqualified because the deadline set forth in NRS 293.165 and 293.166 for making changes to the ballot has passed, the Secretary of State and city clerk must post a sign at each polling place where the person's name will appear on the ballot informing voters that the person is disqualified from entering upon the duties of office.

Sec. 33. NRS 293C.332 is hereby amended to read as follows:

293C.332 On the day of an election, the precinct or district election boards receiving the absent voters' ballots from the city clerk shall, in the presence of a majority of the election board officers, remove the ballots from the ballot box and the containers in which the ballots were transported pursuant to NRS 293C.325 and deposit the ballots in the regular ballot box in the following manner:

1. The name of the voter, as shown on the return envelope, ~~[or]~~ facsimile, **special absent ballot or oath of the voter required pursuant to NRS 293.3157, as applicable,** must be called and checked as if the voter were voting in person;

2. The signature on the back of the return envelope or on the facsimile, **special absent ballot or oath of the voter required pursuant to NRS 293.3157, as applicable,** must be compared with that on the original application to register to vote;

3. If the board determines that the absent voter is entitled to cast a ballot, the envelope must be opened, the numbers on the ballot and envelope compared, the number strip or stub detached from the ballot and, if the numbers are the same, the ballot deposited in the regular ballot box; and

4. The election board officers shall mark in the roster opposite the name of the voter the word "Voted."

Sec. 34. NRS 293C.3568 is hereby amended to read as follows:

293C.3568 1. The period for early voting by personal appearance begins the third Saturday preceding a primary city election or general city election, and extends through the Friday before election day, Sundays and ***federal*** holidays excepted.

2. The city clerk may:

(a) Include any Sunday or ***federal*** holiday that falls within the period for early voting by personal appearance.

(b) Require a permanent polling place for early voting to remain open until 8 p.m. on any Saturday that falls within the period for early voting.

3. A permanent polling place for early voting must remain open:

(a) On Monday through Friday:

(1) During the first week of early voting, from 8 a.m. until 6 p.m.

(2) During the second week of early voting, from 8 a.m. until 6 p.m., or until 8 p.m. if the city clerk so requires.

(b) On any Saturday that falls within the period for early voting, for at least 4 hours between 10 a.m. and 6 p.m.

(c) If the city clerk includes a Sunday that falls within the period for early voting pursuant to subsection 2, during such hours as the city clerk may establish.

Sec. 35. Chapter 294A of NRS is hereby amended by adding thereto the provisions set forth as sections 36 to 38, inclusive, of this act.

Sec. 36. *"Advocates expressly" or "expressly advocates" means that a communication, taken as a whole, is susceptible to no other reasonable interpretation other than as an appeal to vote for or against a clearly identified candidate or group or candidates or a question or group of questions on the ballot at a primary election, primary city election, general election, general city election or special election. A communication does not have to include the words "vote for," "vote against," "elect," "support" or other similar language to be considered a communication that expressly advocates the passage or defeat of a candidate or a question.*

Sec. 36.5. *"Campaign expenses" means:*

1. All expenses incurred by a candidate for a campaign, including, without limitation:

(a) Office expenses;

(b) Expenses related to volunteers;

(c) Expenses related to travel;

(d) Expenses related to advertising;

(e) Expenses related to paid staff;

(f) Expenses related to consultants;

(g) *Expenses related to polling;*
(h) *Expenses related to special events;*
(i) *Expenses related to a legal defense fund; and*
(j) *Contributions made to another candidate, a nonprofit corporation that is registered or required to be registered pursuant to NRS 294A.225, a committee for political action that is registered or required to be registered pursuant to NRS 294A.230 or a committee for the recall of a public officer that is registered or required to be registered pursuant to NRS 294A.250.*

2. Expenditures, as defined in NRS 294A.004.

Sec. 37. 1. A person, committee for political action, political party or committee sponsored by a political party that expends more than \$100 for the purpose of financing a communication through any television or radio broadcast, newspaper, magazine, outdoor advertising facility, mailing or any other type of general public political advertising that:

(a) Advocates expressly the election or defeat of a clearly identified candidate or group of candidates; or

(b) Solicits a contribution through any television or radio broadcast, newspaper, magazine, outdoor advertising facility, mailing or any other type of general public political advertising,

↪ shall disclose on the communication the name of the person, committee for political action, political party or committee sponsored by a political party that paid for the communication.

2. If a communication described in subsection 1 is approved by a candidate, in addition to the requirements of subsection 1, the communication must state that the candidate approved the communication and disclose the street address, telephone number and Internet address, if any, of the person, committee for political action, political party or committee sponsored by a political party that paid for the communication.

3. A person, committee for political action, political party or committee sponsored by a political party that has an Internet website available for viewing by the general public or that sends out an electronic mailing to more than 500 people that:

(a) Advocates expressly the election or defeat of a clearly identified candidate or group of candidates; or

(b) Solicits a contribution through any television or radio broadcast, newspaper, magazine, outdoor advertising facility, mailing or any other type of general public political advertising,

↪ shall disclose on the Internet website or electronic mailing, as applicable, the name of the person, committee for political action, political party or committee sponsored by a political party.

4. The disclosures and statements required pursuant to this section must be clear and conspicuous, and easy to read or hear, as applicable.

Sec. 38. (Deleted by amendment.)

Sec. 39. NRS 294A.002 is hereby amended to read as follows:

294A.002 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS ~~[294A.003]~~ **294A.004** to 294A.009, inclusive, *and sections 36 and 36.5 of this act* have the meanings ascribed to them in those sections.

Sec. 39.5. NRS 294A.004 is hereby amended to read as follows:

294A.004 ~~["Campaign expenses" and "expenditures" mean:]~~
"Expenditures" means:

1. Those expenditures made for advertising on television, radio, billboards, posters and in newspapers; and

2. All other expenditures made,
 ➤ to advocate expressly the election or defeat of a clearly identified candidate or group of candidates or the passage or defeat of a clearly identified question or group of questions on the ballot, including any payments made to a candidate or any person who is related to the candidate within the second degree of consanguinity or affinity.

Sec. 40. NRS 294A.007 is hereby amended to read as follows:

294A.007 1. "Contribution" means a gift, loan, conveyance, deposit, payment, transfer or distribution of money or of anything of value other than the services of a volunteer, and includes:

(a) The payment by any person, other than a candidate, of compensation for the personal services of another person which are rendered to a:

(1) Candidate;

(2) Person who is not under the direction or control of a candidate or group of candidates or of any person involved in the campaign of the candidate or group who makes an expenditure on behalf of the candidate or group which is not solicited or approved by the candidate or group;

(3) Committee for political action, political party ~~[]~~ **or** committee sponsored by a political party ~~for business entity~~ which makes an expenditure on behalf of a candidate or group of candidates; or

(4) Person or group of persons organized formally or informally ~~including a business entity,~~ who advocates the passage or defeat of a question or group of questions on the ballot,

➤ without charge to the candidate, person, committee or political party.

(b) The value of services provided in kind for which money would have otherwise been paid, such as paid polling and resulting data, paid direct mail, paid solicitation by telephone, any paid paraphernalia that was printed or otherwise produced to promote a campaign and the use of paid personnel to assist in a campaign.

2. As used in this section, “volunteer” means a person who does not receive compensation of any kind, directly or indirectly, for the services provided to a campaign.

Sec. 41. (Deleted by amendment.)

Sec. 41.5. NRS 294A.112 is hereby amended to read as follows:

294A.112 1. A person shall not:

- (a) Make a contribution in the name of another person;
- (b) Knowingly allow his or her name to be used to cause a contribution to be made in the name of another person or assist in the making of a contribution in the name of another person;
- (c) Knowingly assist a person to make a contribution in the name of another person; ~~or~~
- (d) Knowingly accept a contribution made by a person in the name of another person ~~or~~; **or**

(e) *Make a contribution to a committee for political action with the knowledge and intent that the committee for political action will contribute that money to a specific candidate which, in combination with the total contributions already made by the person for the same election, would violate the limitations on contributions set forth in this chapter.*

2. As used in this section, “make a contribution in the name of another person” includes, without limitation:

- (a) Giving money or an item of value, all or part of which was provided **or reimbursed to the contributor** by another person, without disclosing the source of the money or item of value to the recipient at the time the contribution is made; and
- (b) Giving money or an item of value, all or part of which belongs to the person who is giving the money or item of value, and claiming that the money or item of value belongs to another person.

Sec. 42. (Deleted by amendment.)

Sec. 43. (Deleted by amendment.)

Sec. 44. NRS 294A.140 is hereby amended to read as follows:

294A.140 1. Every person who is not under the direction or control of a candidate for office at a primary election, primary city election, general election or general city election, of a group of such candidates or of any person involved in the campaign of that candidate or group who makes an expenditure on behalf of the candidate or group which is not solicited or approved by the candidate or group, and every committee for political action, political party ~~and~~ and committee sponsored by a political party ~~and business entity~~ which **receives contributions in excess of \$100 or** makes an expenditure on behalf of such a candidate or group of candidates shall, not later than January 15 of each year that the provisions of this subsection apply to the person, committee ~~or~~ **or** political party, ~~for business entity,~~ for the

period from January 1 of the previous year through December 31 of the previous year, report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The provisions of this subsection apply to the person, committee ~~[] or political party for business entity~~ beginning the year of the general election or general city election for that office through the year immediately preceding the next general election or general city election for that office.

2. Every person, committee ~~[] or political party for business entity~~ described in subsection 1 which makes an expenditure on behalf of the candidate for office at a primary election, primary city election, general election or general city election or on behalf of a group of such candidates shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after January 1 and before the July 1 immediately following that January 1, not later than:

(a) Seven days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election;

(b) Seven days before the general election or general city election for that office, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election; and

(c) July 15 of the year of the general election or general city election for that office, for the period from 11 days before the general election or general city election through June 30 of that year,

➡ report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee ~~[] or political party for business entity~~ under penalty of perjury.

3. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution in excess of \$100 and contributions which a contributor has made cumulatively in excess of \$100 since the beginning of the current reporting period.

4. Every person, committee ~~[] or political party for business entity~~ described in subsection 1 which makes an expenditure on behalf of a candidate for office at a primary election, primary city election, general election or general city election or on behalf of a group of such candidates

shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after July 1 and before the January 1 immediately following that July 1, not later than:

(a) Seven days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election; and

(b) Seven days before the general election or general city election for that office, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election,

➤ report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee ~~[] or political party for business entity~~ under penalty of perjury.

5. Except as otherwise provided in subsection 6, every person, committee ~~[] or political party for business entity~~ described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election or on behalf of a group of such candidates shall, not later than:

(a) Seven days before the special election for the office for which the candidate or a candidate in the group of candidates seeks election, for the period from the nomination of the candidate through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

➤ report each campaign contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee ~~[] or political party for business entity~~ under penalty of perjury.

6. Every person, committee ~~[] or political party for business entity~~ described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election to determine whether a public officer will be recalled or on behalf of a group of candidates for offices at such special elections shall report each contribution in excess of \$100 received during the period and contributions received during the period from a contributor which cumulatively exceed \$100. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS

294A.373 and signed by the person or a representative of the committee ~~[]~~ *or* political party ~~[or business entity]~~ under penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

7. The reports of contributions required pursuant to this section must be filed with:

(a) If the candidate is elected from one county, the county clerk of that county;

(b) If the candidate is elected from one city, the city clerk of that city; or

(c) If the candidate is elected from more than one county or city, the Secretary of State.

8. A person ~~[or entity]~~, *committee or political party* may file the report with the appropriate officer by regular mail, certified mail, facsimile machine or electronic means. A report shall be deemed to be filed with the officer :

(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 officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.

9. Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the Secretary of State within 10 working days after receiving the report.

10. Every person, committee ~~[]~~ *or* political party ~~[or business entity]~~ described in subsection 1 shall file a report required by this section even if the person, committee ~~[]~~ *or* political party ~~[or business entity]~~ receives no contributions.

Sec. 45. NRS 294A.150 is hereby amended to read as follows:

294A.150 1. Except as otherwise provided in NRS 294A.283, every person or group of persons organized formally or informally ~~[including a business entity]~~ who advocates the passage or defeat of a question or group of questions on the ballot at a primary election, primary city election, general election or general city election and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall, not later than January 15 of each year that the provisions of this subsection apply to the person ~~[]~~ *or* group of persons, ~~[or business entity]~~ for the period from January 1 of the previous year through December 31 of the previous year, report each campaign contribution in excess of \$1,000 received during that period and contributions received during the period from a contributor which

cumulatively exceed \$1,000. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury. The provisions of this subsection apply to the person ~~or~~ group of persons : ~~for business entity~~

(a) Each year in which:

(1) An election or city election is held for each question for which the person ~~or~~ group of persons ~~for business entity~~ advocates passage or defeat; or

(2) A person ~~or~~ group of persons ~~for business entity~~ receives or expends money in excess of \$10,000 to advocate the passage or defeat of a question or group of questions on the ballot at a primary election, primary city election, general election or general city election; and

(b) The year after each year described in paragraph (a).

2. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally ~~including a business entity~~ who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. If a question is on the ballot at a general election or general city election held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally ~~including a business entity~~ who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person ~~or~~ group of persons ~~for business entity~~ described in this subsection shall, not later than:

(a) Seven days before the primary election or primary city election, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election;

(b) Seven days before the general election or general city election, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election; and

(c) July 15 of the year of the general election or general city election, for the period from 11 days before the general election or general city election through June 30 of that year,

➤ report each campaign contribution in excess of \$1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed \$1,000. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury.

3. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution in excess of \$1,000 and contributions which a contributor has made cumulatively in excess of that amount since the beginning of the current reporting period.

4. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally ~~including a business entity,~~ who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. Except as otherwise provided in NRS 294A.283, if a question is on the ballot at a general election or general city election held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally ~~including a business entity,~~ who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person ~~or~~ ~~group of persons for business entity~~ described in this subsection shall, not later than:

(a) Seven days before the primary election or primary city election, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election; and

(b) Seven days before the general election or general city election, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election,

➤ report each campaign contribution in excess of \$1,000 received during the period and contributions received during the period from a contributor which

cumulatively exceed \$1,000. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury.

5. Except as otherwise provided in subsection 6, every person or group of persons organized formally or informally ~~[including a business entity]~~ who advocates the passage or defeat of a question or group of questions on the ballot at a special election and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall, not later than:

(a) Seven days before the special election, for the period from the date that the question qualified for the ballot through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

↪ report each campaign contribution in excess of \$1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed \$1,000. The report must be completed on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury.

6. Every person or group of persons organized formally or informally ~~[including a business entity]~~ who advocates the passage or defeat of a question or group of questions on the ballot at a special election to determine whether a public officer will be recalled and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall report each of the contributions received on the form designed and provided by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

7. The reports required pursuant to this section must be filed with:

(a) If the question is submitted to the voters of one county, the county clerk of that county;

(b) If the question is submitted to the voters of one city, the city clerk of that city; or

(c) If the question is submitted to the voters of more than one county or city, the Secretary of State.

8. A person may mail or transmit the report to the appropriate officer by regular mail, certified mail, facsimile machine or electronic means. A report shall be deemed to be filed with the officer:

(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 officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.

9. If the person or group of persons ~~[, including a business entity,]~~ is advocating passage or defeat of a group of questions, the reports must be itemized by question or petition.

10. Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the Secretary of State within 10 working days after receiving the report.

Sec. 46. (Deleted by amendment.)

Sec. 47. NRS 294A.210 is hereby amended to read as follows:

294A.210 1. Every person who is not under the direction or control of a candidate for an office at a primary election, primary city election, general election or general city election, of a group of such candidates or of any person involved in the campaign of that candidate or group who makes an expenditure on behalf of the candidate or group which is not solicited or approved by the candidate or group, and every committee for political action, political party ~~[,] or~~ committee sponsored by a political party ~~for business entity~~ which *receives contributions in excess of \$100 or* makes an expenditure on behalf of such a candidate or group of candidates shall, not later than January 15 of each year that the provisions of this subsection apply to the person, committee ~~[,] or~~ political party, ~~for business entity,~~ for the period from January 1 of the previous year through December 31 of the previous year, report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee ~~[,] or~~ political party ~~for business entity~~ under penalty of perjury. The provisions of this subsection apply to the person, committee ~~[,] or~~ political party ~~for business entity~~ beginning the year of the general election or general city election for that office through the year immediately preceding the next general election or general city election for that office.

2. Every person, committee ~~[,] or~~ political party ~~for business entity~~ described in subsection 1 which makes an expenditure on behalf of a candidate for office at a primary election, primary city election, general

election or general city election or a group of such candidates shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after January 1 and before the July 1 immediately following that January 1, not later than:

(a) Seven days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election;

(b) Seven days before the general election or general city election for that office, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election; and

(c) July 15 of the year of the general election or general city election for that office, for the period from 11 days before the general election or general city election through the June 30 of that year,

➤ report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee ~~[] or political party for business entity~~ under penalty of perjury.

3. Every person, committee ~~[] or political party for business entity~~ described in subsection 1 which makes an expenditure on behalf of a candidate for office at a primary election, primary city election, general election or general city election or on behalf of a group of such candidates shall, if the general election or general city election for the office for which the candidate or a candidate in the group of candidates seeks election is held on or after July 1 and before the January 1 immediately following that July 1, not later than:

(a) Seven days before the primary election or primary city election for that office, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election; and

(b) Seven days before the general election or general city election for that office, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election,

➤ report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of

the committee ~~[] or~~ political party ~~for business entity~~ under penalty of perjury.

4. Except as otherwise provided in subsection 5, every person, committee ~~[] or~~ political party ~~for business entity~~ described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election or on behalf of a group of such candidates shall, not later than:

(a) Seven days before the special election for the office for which the candidate or a candidate in the group of candidates seeks election, for the period from the nomination of the candidate through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,

➤ report each expenditure made during the period on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the committee ~~[] or~~ political party ~~for business entity~~ under penalty of perjury.

5. Every person, committee ~~[] or~~ political party ~~for business entity~~ described in subsection 1 which makes an expenditure on behalf of a candidate for office at a special election to determine whether a public officer will be recalled or on behalf of a group of such candidates shall list each expenditure made on behalf of the candidate, the group of candidates or a candidate in the group of candidates in excess of \$100 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the committee ~~[] or~~ political party ~~for business entity~~ under penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

6. Expenditures made within the State or made elsewhere but for use within the State, including expenditures made outside the State for printing, television and radio broadcasting or other production of the media, must be included in the report.

7. The reports must be filed with:

(a) If the candidate is elected from one county, the county clerk of that county;

(b) If the candidate is elected from one city, the city clerk of that city; or

(c) If the candidate is elected from more than one county or city, the Secretary of State.

8. If an expenditure is made on behalf of a group of candidates, the reports must be itemized by the candidate. A person may mail or transmit the report to the appropriate officer by regular mail, certified mail, facsimile machine or electronic means. A report shall be deemed to be filed with the officer:

(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 officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.

9. Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the Secretary of State within 10 working days after receiving the report.

10. Every person, committee ~~[] or~~ political party ~~for business entity~~ described in subsection 1 shall file a report required by this section even if the person, committee ~~[] or~~ political party ~~for business entity~~ receives no contributions.

Sec. 48. NRS 294A.220 is hereby amended to read as follows:

294A.220 1. Except as otherwise provided in NRS 294A.283, every person or group of persons organized formally or informally ~~[, including a business entity,]~~ who advocates the passage or defeat of a question or group of questions on the ballot at a primary election, primary city election, general election or general city election and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall, not later than January 15 of each year that the provisions of this subsection apply to the person or group of persons, for the period from January 1 of the previous year through December 31 of the previous year, report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury. The provisions of this subsection apply to the person ~~[] or~~ group of persons : ~~for business entity;~~

(a) Each year in which:

(1) An election or city election is held for a question for which the person ~~[] or~~ group of persons ~~for business entity~~ advocates passage or defeat; or

(2) A person ~~[] or~~ group of persons ~~for business entity~~ receives or expends money in excess of \$10,000 to advocate the passage or defeat of a

question or group of questions on the ballot at a primary election, primary city election, general election or general city election; and

(b) The year after each year described in paragraph (a).

2. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally ~~[, including a business entity,]~~ who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. If a question is on the ballot at a general election or general city election held on or after January 1 and before the July 1 immediately following that January 1, every person or group of persons organized formally or informally ~~[, including a business entity,]~~ who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person ~~[,]~~ or group of persons ~~for business entity]~~ described in this subsection shall, not later than:

(a) Seven days before the primary election or primary city election, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election;

(b) Seven days before the general election or general city election, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election; and

(c) July 15 of the year of the general election or general city election, for the period from 11 days before the general election or general city election through the June 30 immediately preceding that July 15,

➔ report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group ~~for business entity]~~ under penalty of perjury.

3. If a question is on the ballot at a primary election or primary city election and the general election or general city election immediately following that primary election or primary city election is held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally ~~[, including a~~

~~business entity,~~] who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. Except as otherwise provided in NRS 294A.283, if a question is on the ballot at a general election or general city election held on or after July 1 and before the January 1 immediately following that July 1, every person or group of persons organized formally or informally ~~including a business entity,~~ who advocates the passage or defeat of the question or a group of questions that includes the question and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall comply with the requirements of this subsection. A person ~~or~~ group of persons ~~for business entity~~ described in this subsection shall, not later than:

(a) Seven days before the primary election or primary city election, for the period from the January 1 immediately preceding the primary election or primary city election through 12 days before the primary election or primary city election; and

(b) Seven days before the general election or general city election, for the period from 11 days before the primary election or primary city election through 12 days before the general election or general city election,
➤ report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury.

4. Except as otherwise provided in subsection 5, every person or group of persons organized formally or informally ~~including a business entity,~~ who advocates the passage or defeat of a question or group of questions on the ballot at a special election shall, not later than:

(a) Seven days before the special election, for the period from the date the question qualified for the ballot through 12 days before the special election; and

(b) Thirty days after the special election, for the remaining period through the special election,
➤ report each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. The form must be signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury.

5. Every person or group of persons organized formally or informally ~~including a business entity,~~ who advocates the passage or defeat of a question or group of questions on the ballot at a special election to determine whether a public officer will be recalled and who receives or expends money in an amount in excess of \$10,000 to advocate the passage or defeat of such question or group of questions shall list each expenditure made during the period on behalf of or against the question, the group of questions or a question in the group of questions on the ballot in excess of \$1,000 on the form designed and provided by the Secretary of State pursuant to NRS 294A.373 and signed by the person or a representative of the group ~~for business entity~~ under penalty of perjury, 30 days after:

(a) The special election, for the period from the filing of the notice of intent to circulate the petition for recall through the special election; or

(b) If the special election is not held because a district court determines that the petition for recall is legally insufficient pursuant to subsection 6 of NRS 306.040, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's decision.

6. Expenditures made within the State or made elsewhere but for use within the State, including expenditures made outside the State for printing, television and radio broadcasting or other production of the media, must be included in the report.

7. The reports required pursuant to this section must be filed with:

(a) If the question is submitted to the voters of one county, the county clerk of that county;

(b) If the question is submitted to the voters of one city, the city clerk of that city; or

(c) If the question is submitted to the voters of more than one county or city, the Secretary of State.

8. If an expenditure is made on behalf of a group of questions, the reports must be itemized by question or petition. A person may mail or transmit the report to the appropriate filing officer by regular mail, certified mail, facsimile machine or electronic means. A report shall be deemed to be filed with the filing officer:

(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 filing officer if the report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.

9. Each county clerk or city clerk who receives a report pursuant to this section shall file a copy of the report with the Secretary of State within 10 working days after receiving the report.

Sec. 49. NRS 294A.230 is hereby amended to read as follows:

294A.230 1. Each committee for political action shall, before it engages in any activity in this State, register with the Secretary of State on forms supplied by the Secretary of State.

2. The form must require:

- (a) The name of the committee;
- (b) The purpose for which it was organized;
- (c) The names, addresses and telephone numbers of its officers;
- (d) If the committee for political action is affiliated with any other organizations, the name, address and telephone number of each organization;
- (e) The name, address and telephone number of its registered agent; and
- (f) Any other information deemed necessary by the Secretary of State.

3. A committee for political action shall file with the Secretary of State an amended form for registration within 30 days after any change in the information contained in the form for registration.

4. The Secretary of State shall include on the Secretary of State's Internet website the information required pursuant to subsection 2.

5. *For purposes of the civil penalty that the Secretary of State may impose pursuant to NRS 294A.420 for violating the provisions of subsection 1, if a committee for political action fails to register with the Secretary of State pursuant to subsection 1, each time a committee for political action engages in any activity in this State constitutes a separate violation of subsection 1 for which the Secretary of State may impose a civil penalty.*

Sec. 50. NRS 294A.281 is hereby amended to read as follows:

294A.281 1. Each person or group of persons organized formally or informally ~~[including a business entity,]~~ who advocates the passage or defeat of a constitutional amendment or statewide measure proposed by an initiative or referendum, before engaging in any such advocacy in this State, shall file a statement of organization with the Secretary of State as provided in subsection 2.

2. Each statement of organization must include:

- (a) The name of the person ~~[,]~~ **or** group of persons ; ~~[or business entity,]~~
- (b) The purpose for which the person ~~[,]~~ **or** group of persons ~~[or business entity]~~ is organized;
- (c) The names and addresses of any officers of the person ~~[,]~~ **or** group of persons ; ~~[or business entity,]~~
- (d) If the person ~~[,]~~ **or** group of persons ~~[or business entity]~~ is affiliated with or is retained by any other person ~~[,]~~ **or** group ~~[or business entity]~~ for the purpose of advocating the passage or defeat of a constitutional amendment or statewide measure proposed by initiative or referendum, the name and address of each such other person ~~[,]~~ **or** group ; ~~[or business entity,]~~ and

(e) The name, address and telephone number of the registered agent of the person ~~[] or group of persons . [or business entity.]~~

3. A person ~~[] or group of persons [or business entity.]~~ which has filed a statement of organization pursuant to this section shall file an amended statement with the Secretary of State within 30 days of any changes to the information required pursuant to subsection 2.

Sec. 51. NRS 294A.282 is hereby amended to read as follows:

294A.282 Each person or group of persons organized formally or informally ~~[including a business entity.]~~ who advocates the passage or defeat of a constitutional amendment or statewide measure proposed by an initiative or referendum shall appoint and keep within this State a registered agent, as provided in NRS 14.020, who must be a natural person who resides in this State.

Sec. 52. NRS 294A.283 is hereby amended to read as follows:

294A.283 1. Every person or group of persons organized formally or informally ~~[including a business entity.]~~ who advocates the passage or defeat of a constitutional amendment or statewide measure proposed by an initiative or referendum, including, without limitation, the initiation or circulation thereof, and who receives or expends money in an amount in excess of \$10,000 for such advocacy shall, not later than the dates listed in subsection 2, report:

(a) Each campaign contribution in excess of \$1,000 received during each period described in subsection 2;

(b) Contributions received during each period described in subsection 2 from a contributor which cumulatively exceed \$1,000;

(c) Each expenditure in excess of \$1,000 the person ~~[] or group of persons [or business entity.]~~ makes during each period described in subsection 2; and

(d) The total amount of money the person ~~[] or group of persons [or business entity.]~~ has at the beginning of each period described in subsection 2, accounting for all contributions received and expenditures made during each previous period.

2. Every person ~~[] or group of persons [or business entity.]~~ required to report pursuant to subsection 1 shall file that report with the Secretary of State:

(a) For the period beginning on the first day a copy of the petition may be filed with the Secretary of State before it is circulated for signatures pursuant to Section 1 or Section 2 of Article 19 of the Nevada Constitution, as applicable, and ending on the following March 31, not later than April 15;

(b) For the period beginning on April 1 and ending on July 31, not later than August 15;

(c) For the period beginning on August 1 and ending on September 30, not later than October 15; and

(d) For the period beginning on October 1 and ending on December 31, not later than the following January 15.

3. The name and address of the contributor and the date on which the contribution was received must be included on each report for each contribution in excess of \$1,000 and contributions which a contributor has made cumulatively in excess of that amount since the beginning of the applicable reporting period.

4. Expenditures made within the State or made elsewhere but for use within the State, including expenditures made outside the State for printing, television and radio broadcasting or other production of the media, must be included in each report.

5. Each report required pursuant to this section must:

(a) Be on the form designed and provided by the Secretary of State pursuant to NRS 294A.373; and

(b) Be signed by the person or a representative of the group of persons ~~for business entity~~ under penalty of perjury.

6. A person ~~or~~ group of persons ~~for business entity~~ may mail or transmit each report to the Secretary of State by certified mail, regular mail, facsimile machine or electronic means or may deliver the report personally.

7. A report 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 report was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.

Sec. 53. NRS 294A.284 is hereby amended to read as follows:

294A.284 1. Each person or group of persons organized formally or informally ~~[including a business entity]~~ who advocates the passage or defeat of a constitutional amendment or statewide measure proposed by an initiative or referendum that provides compensation to persons to circulate petitions shall report to the Secretary of State:

(a) The number of persons to whom such compensation is provided;

(b) The least amount of such compensation that is provided and the greatest amount of such compensation that is provided; and

(c) The total amount of compensation provided.

2. The Secretary of State shall make public any information received pursuant to this section.

Sec. 54. NRS 294A.286 is hereby amended to read as follows:

294A.286 1. *Any candidate or public officer may establish a legal defense fund.* A person who administers a legal defense fund shall:

(a) Within 5 days after the creation of the legal defense fund, notify the Secretary of State of the creation of the fund on a form provided by the Secretary of State; and

(b) For the same period covered by the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360, report any contribution received by or expenditure made from the legal defense fund.

2. The reports required by paragraph (b) of subsection 1 must be submitted on the form designed and provided by the Secretary of State pursuant to NRS 294A.373. Each form must be signed by the administrator of the legal defense fund under penalty of perjury.

3. The reports required by paragraph (b) of subsection 1 must be filed in the same manner and at the same time as the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360.

4. Notwithstanding the provisions of this section, a candidate or public officer may use campaign contributions to pay for any legal expenses that the candidate or public officer incurs in relation to a campaign or serving in public office without establishing a legal defense fund. Any such candidate or public officer shall report any expenditure of campaign contributions to pay for legal expenses in the same manner and at the same time as the report filed pursuant to NRS 294A.120, 294A.200 or 294A.360. A candidate or public officer shall not use campaign contributions to satisfy a civil or criminal penalty imposed by law.

Sec. 55. NRS 294A.347 is hereby amended to read as follows:

294A.347 1. A statement which:

(a) Is published within 60 days before a general election, general city election or special election or 30 days before a primary election or primary city election;

(b) Expressly advocates the election or defeat of a clearly identified candidate for a state or local office; and

(c) Is published by a person who receives compensation from the candidate, an opponent of the candidate, or a person, party ~~or~~ committee ~~for business entity~~ required to report expenditures pursuant to NRS 294A.210,

➤ must contain a disclosure of the fact that the person receives compensation pursuant to paragraph (c) and the name of the person, party ~~or~~ committee ~~for business entity~~ providing that compensation.

2. A statement which:

(a) Is published by a candidate within 60 days before a general election, general city election or special election or 30 days before a primary election or primary city election; and

(b) Contains the name of the candidate,

➤ shall be deemed to comply with the provisions of this section.

3. As used in this section, “publish” means the act of:

- (a) Printing, posting, broadcasting, mailing or otherwise disseminating; or
- (b) Causing to be printed, posted, broadcasted, mailed or otherwise disseminated.

Sec. 56. NRS 294A.350 is hereby amended to read as follows:

294A.350 1. Every candidate for state, district, county, municipal or township office shall file the reports of campaign contributions and expenses required by NRS 294A.120, 294A.128, 294A.200 and 294A.360 and reports of contributions received by and expenditures made from a legal defense fund *or used to pay legal expenses* required by NRS 294A.286, even though the candidate:

- (a) Withdraws his or her candidacy;
- (b) Receives no campaign contributions;
- (c) Has no campaign expenses;
- (d) Is removed from the ballot by court order; or
- (e) Is the subject of a petition to recall and the special election is not held.

2. A candidate who withdraws his or her candidacy pursuant to NRS 293.202 may file simultaneously all the reports of campaign contributions and expenses required by NRS 294A.120, 294A.128, 294A.200 and 294A.360 and the report of contributions received by and expenditures made from a legal defense fund *or used to pay legal expenses* required by NRS 294A.286, so long as each report is filed on or before the last day for filing the respective report pursuant to NRS 294A.120, 294A.200 or 294A.360.

Sec. 57. (Deleted by amendment.)

Sec. 58. NRS 294A.365 is hereby amended to read as follows:

294A.365 1. Each report of expenditures required pursuant to NRS 294A.210, 294A.220, 294A.280 and 294A.283 must consist of a list of each expenditure in excess of \$100 or \$1,000, as is appropriate, that was made during the periods for reporting. Each report of expenses required pursuant to NRS 294A.125 and 294A.200 must consist of a list of each expense in excess of \$100 that was incurred during the periods for reporting. The list in each report must state the category and amount of the expense or expenditure and the date on which the expense was incurred or the expenditure was made.

2. The categories of expense or expenditure for use on the report of expenses or expenditures are:

- (a) Office expenses;
- (b) Expenses related to volunteers;
- (c) Expenses related to travel;
- (d) Expenses related to advertising;
- (e) Expenses related to paid staff;
- (f) Expenses related to consultants;
- (g) Expenses related to polling;

- (h) Expenses related to special events;
- (i) *Expenses related to a legal defense fund;*
- (j) Except as otherwise provided in NRS 294A.362, goods and services provided in kind for which money would otherwise have been paid;
- (k) *Contributions made to another candidate, a nonprofit corporation that is registered or required to be registered pursuant to NRS 294A.225, a committee for political action that is registered or required to be registered pursuant to NRS 294A.230 or a committee for the recall of a public officer that is registered or required to be registered pursuant to NRS 294A.250;* and
- ~~{(j)}~~ (l) Other miscellaneous expenses.

3. Each report of expenses or expenditures described in subsection 1 must list the disposition of any unspent campaign contributions using the categories set forth in subsection 2 of NRS 294A.160.

Sec. 59. NRS 294A.373 is hereby amended to read as follows:

294A.373 1. The Secretary of State shall design a single form to be used for all reports of campaign contributions and expenses or expenditures that are required to be filed pursuant to NRS 294A.120, 294A.125, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283, 294A.360 and 294A.362 and reports of contributions received by and expenditures made from a legal defense fund *or used to pay legal expenses* that are required to be filed pursuant to NRS 294A.286.

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

3. Upon request, the Secretary of State shall provide a copy of the form designed pursuant to this section to each person, committee, political party ~~{,}~~ *and* group ~~{and business entity}~~ that is required to file a report described in subsection 1.

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

Sec. 59.5. NRS 294A.380 is hereby amended to read as follows:

294A.380 1. The Secretary of State may adopt and promulgate regulations, prescribe forms in accordance with the provisions of this chapter and take such other actions as are necessary for the implementation and effective administration of the provisions of this chapter.

2. For the purposes of implementing and administering the provisions of this chapter : ~~{regulating committees for political action,}~~

(a) The Secretary of State shall ~~{, in determining whether an entity or group is a committee for political action,}~~ consider a group's or entity's

division or separation into units, sections or smaller groups only if it appears that such division or separation was for a purpose other than for avoiding the reporting requirements ~~for~~ or the limitations on contributions set forth in this chapter.

(b) The Secretary of State shall ~~in determining whether an entity or group is a committee for political action,~~ disregard any action taken by a group or entity that would otherwise constitute a committee for political action if it appears such action is taken for the purpose of avoiding the reporting requirements ~~for~~ or the limitations on contributions set forth in this chapter.

Sec. 60. NRS 294A.382 is hereby amended to read as follows:

294A.382 The Secretary of State shall not request or require a candidate, person, group of persons, committee ~~or~~ political party ~~for business entity~~ to list each of the expenditures or campaign expenses of \$100 or less on a form designed and provided pursuant to NRS 294A.373.

Sec. 61. NRS 294A.390 is hereby amended to read as follows:

294A.390 The officer from whom a candidate or entity requests a form for:

1. A declaration of candidacy;
2. An acceptance of candidacy;
3. The registration of a committee for political action pursuant to NRS 294A.230 ~~or~~ a committee for the recall of a public officer pursuant to NRS 294A.250 ; ~~for a business entity that wishes to engage in certain political activity pursuant to NRS 294A.377;~~

4. The reporting of the creation of a legal defense fund pursuant to NRS 294A.286; or

5. The reporting of campaign contributions, expenses or expenditures pursuant to NRS 294A.120, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283 or 294A.360 and the reporting of contributions received by and expenditures made from a legal defense fund or used to pay legal expenses pursuant to NRS 294A.286,

➡ shall furnish the candidate with the necessary forms for reporting and copies of the regulations adopted by the Secretary of State pursuant to this chapter. An explanation of the applicable provisions of NRS 294A.100, 294A.120, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283 or 294A.360 or section 37 of this act relating to the making, accepting or reporting of campaign contributions, expenses or expenditures and the penalties for a violation of those provisions as set forth in NRS 294A.100 or 294A.420, and an explanation of NRS 294A.286 and 294A.287 relating to the accepting or reporting of contributions received by and expenditures made from a legal defense fund or used to pay legal expenses and the penalties for a violation of those

provisions as set forth in NRS 294A.287 and 294A.420, must be developed by the Secretary of State and provided upon request. The candidate or entity shall acknowledge receipt of the material.

Sec. 62. NRS 294A.400 is hereby amended to read as follows:

294A.400 The Secretary of State shall, within 30 days after receipt of the reports required by NRS 294A.120, 294A.125, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, 294A.270, 294A.280, 294A.283 and 294A.286, *and section 37 of this act*, prepare and make available for public inspection a compilation of:

1. The total campaign contributions, the contributions which are in excess of \$100 and the total campaign expenses of each of the candidates from whom reports of those contributions and expenses are required.

2. The total amount of loans to a candidate guaranteed by a third party, the total amount of loans made to a candidate that have been forgiven and the total amount of written commitments for contributions received by a candidate.

3. The contributions made to a committee for the recall of a public officer in excess of \$100.

4. The expenditures exceeding \$100 made by a:

(a) Person on behalf of a candidate other than the person.

(b) Group of persons ~~for business entity~~ advocating the election or defeat of a candidate.

(c) Committee for the recall of a public officer.

5. The contributions in excess of \$100 made to:

(a) A person who is not under the direction or control of a candidate or group of candidates or of any person involved in the campaign of the candidate or group who makes an expenditure on behalf of the candidate or group which is not solicited or approved by the candidate or group.

(b) A committee for political action, political party ~~or~~ ~~or~~ committee sponsored by a political party ~~for business entity~~ which makes an expenditure on behalf of a candidate or group of candidates.

6. The contributions in excess of \$1,000 made to and the expenditures exceeding \$1,000 made by a:

(a) Person or group of persons organized formally or informally ~~including a business entity~~ who advocates the passage or defeat of a question or group of questions on the ballot and who receives or expends money in an amount in excess of \$10,000 for such advocacy, except as otherwise provided in paragraph (b).

(b) Person or group of persons organized formally or informally ~~including a business entity~~ who advocates the passage or defeat of a constitutional amendment or statewide measure proposed by an initiative or referendum, including, without limitation, the initiation or circulation thereof,

and who receives or expends money in an amount in excess of \$10,000 for such advocacy.

7. The total contributions received by and expenditures made from a legal defense fund ~~[-]~~ **or used to pay legal expenses.**

Sec. 63. NRS 294A.420 is hereby amended to read as follows:

294A.420 1. If the Secretary of State receives information that a person or entity that is subject to the provisions of NRS 294A.120, 294A.128, 294A.140, 294A.150, 294A.200, 294A.210, 294A.220, ~~[294A.227,]~~ 294A.230, 294A.270, 294A.280, 294A.283, 294A.286 or 294A.360 **or section 37 of this act** has not filed a report or form for registration pursuant to the applicable provisions of those sections, the Secretary of State may, after giving notice to that person or entity, cause the appropriate proceedings to be instituted in the First Judicial District Court.

2. Except as otherwise provided in this section, a person or entity that violates an applicable provision of ~~[NRS 294A.112, 294A.120, 294A.128, 294A.130, 294A.140, 294A.150, 294A.160, 294A.200, 294A.210, 294A.220, 294A.227, 294A.230, 294A.270, 294A.280, 294A.283, 294A.286, 294A.300, 294A.310 or 294A.360]~~ **this chapter** is subject to a civil penalty of not more than \$5,000 for each violation and payment of court costs and attorney's fees. The civil penalty must be recovered in a civil action brought in the name of the State of Nevada by the Secretary of State in the First Judicial District Court and deposited by the Secretary of State for credit to the State General Fund in the bank designated by the State Treasurer.

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

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

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

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

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

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

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

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

Sec. 64. NRS 295.012 is hereby amended to read as follows:

295.012 A petition for initiative *or referendum* that proposes a ~~statute, an amendment to a statute or an amendment to the Constitution~~ **constitutional amendment or statewide measure** must be proposed by a number of registered voters from each petition district in the State that is at least equal to 10 percent of the voters who voted in that petition district at the last preceding general election.

Sec. 65. NRS 295.0575 is hereby amended to read as follows:

295.0575 A petition for a constitutional amendment or a petition for a statewide measure proposed by an initiative or referendum may consist of more than one document. Each document of a petition must have attached to it when submitted an affidavit executed by the circulator thereof stating:

1. That the circulator personally circulated the document;
2. The number of signatures thereon;
3. That all the signatures were affixed in the circulator's presence; ~~and~~
4. That each signer had an opportunity before signing to read the full text of the act or resolution on which the initiative or referendum is demanded ~~[-]~~ ;
5. *The address and contact information of the circulator; and*
6. *That the circulator is 18 years of age or older.*

Sec. 65.5. 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 ~~[-]~~ **or if the public officer was appointed to the office of Legislator**, the public officer shall file with the Commission 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~~ :

(1) *Each* year of the term, including the year ~~[the term expires.]~~ **in which the public officer leaves office; and**

(2) *The year immediately following the year in which the public officer leaves office, unless the public officer leaves office before January 15 in the prior year.*

↪ 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:

(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 if the statement was sent by regular mail, transmitted by facsimile machine or electronic means, or delivered personally.

Sec. 66. 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, ***each candidate for the office of Legislator*** 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~~ :

(1) ***Each*** year of the term, including the year ~~[the term expires]~~ ***in which the public officer leaves office; and***

(2) ***The year immediately following the year in which the public officer leaves office, unless the public officer leaves office before January 15 in the prior year.***

➡ 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 form prescribed by the Commission pursuant to NRS 281A.290.

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. 67. Section 5.015 of the Charter of the City of Carlin, being chapter 344, Statutes of Nevada 1971, as added by chapter 493, Statutes of Nevada 2009, at page 2937, is hereby amended to read as follows:

Sec. 5.015 Filing of declarations of candidacy.

1. A candidate to be voted for at the general election must file a declaration of candidacy with the City Clerk ~~not less than 5 days or more than 15 days before the day of the primary election held pursuant to the provisions of NRS 293.175.]~~ **as provided by the election laws of this State.** The City Clerk shall charge and collect from the candidate and the candidate must pay to the City Clerk, at the time of filing the declaration of candidacy, a filing fee in an amount fixed by the City Council by ordinance or resolution.

2. If, due to the death or ineligibility of or withdrawal by a candidate, a vacancy occurs in a nomination after the close of filing and any applicable period for withdrawal of candidacy, the candidate's name must remain on the ballot for the general election and, if elected, a vacancy exists.

Sec. 68. Section 5.015 of the Charter of the City of Wells, being chapter 275, Statutes of Nevada 1971, as added by chapter 493, Statutes of Nevada 2009, at page 2938, is hereby amended to read as follows:

Sec. 5.015 Filing of declarations of candidacy.

1. A candidate to be voted for at the general election must file a declaration of candidacy with the City Clerk ~~not less than 5 days or more than 15 days before the day of the primary election held pursuant to the provisions of NRS 293.175.]~~ **as provided by the election laws of this State.** The City Clerk shall charge and collect from the candidate and the candidate must pay to the City Clerk, at the time of filing the declaration of candidacy,

a filing fee in an amount fixed by the City Council by ordinance or resolution.

2. If, due to the death or ineligibility of or withdrawal by a candidate, a vacancy occurs in a nomination after the close of filing and any applicable period for withdrawal of candidacy, the candidate's name must remain on the ballot for the general election and, if elected, a vacancy exists.

Sec. 69. NRS 294A.003 and 294A.227 are hereby repealed.

TEXT OF REPEALED SECTIONS

294A.003 "Business entity" defined. "Business entity" means any corporation, company or other form of business organization. The term does not include a business entity for which:

1. The owners, investors, officers, directors, members or other organizers of the entity are disclosed in any public record; or

2. The business purpose of the entity is disclosed in a public record that clearly identifies a specific business in a manner that is verifiable.

294A.227 Registration; publication of information relating to registration.

1. A business entity shall register with the Secretary of State by submitting the completed form described in subsection 2 before it engages in any of the following activities in this State:

(a) Soliciting or receiving contributions from any other person, group or entity;

(b) Making contributions to candidates or other persons; or

(c) Making expenditures,

↪ designed to affect the outcome of any primary election, primary city election, general election, general city election, special election or question on the ballot.

2. The form must require:

(a) The name of the business entity;

(b) The purpose for which it was organized;

(c) The names and addresses of each owner, investor, officer, director, member or other organizer of the entity;

(d) If the business entity is affiliated with any other organization, the name, address and telephone number of each such organization;

(e) The name, address and telephone number of its registered agent, if any;

(f) A designation of the activities listed in subsection 1 in which it intends to engage; and

(g) Any other information deemed necessary by the Secretary of State.

3. The Secretary of State shall, in a timely manner, include on the portion of the Secretary of State's Internet website that is devoted to information

concerning elections and campaigns the information required pursuant to subsection 2.

Assemblyman Segerblom moved that the Assembly do not concur in the Senate Amendment No. 685 to Assembly Bill No. 81.

Remarks by Assemblyman Segerblom.

Motion carried by a constitutional majority.

Bill ordered transmitted to the Senate.

Assembly Bill No. 471.

The following Senate amendment was read:

Amendment No. 749.

AN ACT relating to local government financial administration; limiting the authority of a governing body of a local government to loan or transfer money from an enterprise fund and to increase fees imposed for the purpose of an enterprise fund; requiring certain reports from the Committee on Local Government Finance; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Local Government Budget and Finance Act authorizes the governing body of a local government to establish certain funds, including an enterprise fund to account for operations which are financed and conducted in a manner similar to the operations of a private business, where the intent of the governing body is to have the expenses of providing goods or services to the general public financed through charges imposed on users. (NRS 354.470-354.626) **Section 1** of this bill allows a governing body of a local government to loan or transfer money from an enterprise fund only if the loan or transfer is made: (1) as a medium-term obligation in compliance with certain requirements; (2) to pay the expenses of the pertinent enterprise; (3) for a cost allocation for employees, equipment or other resources; or (4) upon the dissolution of the fund. In addition, **section 1** allows such a governing body to increase the amount of the fees imposed for the purpose for which an enterprise fund was created only if the ~~[Committee on Local Government Finance approves that increase or the fees are imposed on certain public utilities for a right of way over a public area. Lastly,]~~ **fees are used for certain specified purposes or the governing body determines that: (1) the increase is not prohibited by law; (2) the increase is necessary for the pertinent enterprise; and (3) all fees that are deposited in the enterprise fund are used solely for the purposes for which the fees are collected.** Furthermore, **section 1** requires the Committee **on Local Government Finance** to submit biennial reports to the Legislature regarding compliance with the requirements of that section. **Section 9** of this bill provides that any officer or employee of a local government who violates **section 1** is guilty of

a misdemeanor and upon conviction ceases to hold his or her office or employment.

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

Section 1. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. ~~{The}~~ Except as otherwise provided in this section, the governing body of a local government may, on or after July 1, 2011, loan or transfer money from an enterprise fund, money collected from fees imposed for the purpose for which an enterprise fund was created or any income or interest earned on money in an enterprise fund only if the loan or transfer is made:

(a) In accordance with a medium-term obligation issued by the recipient in compliance with the provisions of chapter 350 of NRS, the loan or transfer is proposed to be made and the governing body approves the loan or transfer under a nonconsent item that is separately listed on the agenda for a regular meeting of the governing body, and:

(1) The money is repaid in full to the enterprise fund within 5 years;

or

(2) If the recipient will be unable to repay the money in full to the enterprise fund within 5 years, the recipient notifies the Committee on Local Government Finance of:

(I) The total amount of the loan or transfer;

(II) The purpose of the loan or transfer;

(III) The date of the loan or transfer; and

(IV) The estimated date that the money will be repaid in full to the enterprise fund;

(b) To pay the expenses related to the purpose for which the enterprise fund was created;

(c) For a cost allocation for employees, equipment or other resources related to the purpose of the enterprise fund ~~and~~ which is approved by the governing body under a nonconsent item that is separately listed on the agenda for a regular meeting of the governing body; or

(d) Upon the dissolution of the enterprise fund.

2. Except as otherwise provided in ~~{subsection 3,}~~ this section, the governing body of a local government may increase the amount of any fee imposed for the purpose for which an enterprise fund was created only if the ~~{Committee on Local Government Finance}~~ governing body approves the increase ~~and the Committee may approve such an increase if it}~~ under a nonconsent item that is separately listed on the agenda for a regular meeting of the governing body, and the governing body determines that:

(a) The increase is not prohibited by law;

(b) *The increase is necessary for the continuation or expansion of the purpose for which the enterprise fund was created; and*

(c) ~~*The governing body is not using any money from the enterprise fund, any money collected from fees imposed for the purpose for which the enterprise fund was created or any income or interest earned on money in the enterprise fund for any purpose other than that for which the enterprise fund was created, except to repay any money loaned or transferred to the enterprise fund from another fund of the local government or of another local government to provide working capital for the enterprise fund.*~~

~~*3. All fees that are deposited in the enterprise fund are used solely for the purposes for which the fees are collected.*~~

3. Upon the adoption of an increase in any fee pursuant to subsection 2, the governing body shall, except as otherwise provided in this subsection, provide to the Department of Taxation an executed copy of the action increasing the fee. This requirement does not apply to the governing body of a federally regulated airport.

4. The provisions of subsection 2 do not limit the authority of the governing body of a local government to increase the amount of any fee imposed upon a public utility in compliance with the provisions of NRS 354.59881 to 354.59889, inclusive, for a right-of-way over any public area if the public utility is billed separately for that fee. As used in this subsection, "public utility" has the meaning ascribed to it in NRS 354.598817.

~~*4. 5. This section must not be construed to:*~~

(a) Prohibit a local government from increasing a fee or using money in an enterprise fund to repay a loan lawfully made to the enterprise fund from another fund of the local government; or

(b) Prohibit or impose any substantive or procedural limitations on any increase of a fee that is necessary to meet the requirements of an instrument that authorizes any bonds or other debt obligations which are secured by or payable from, in whole or in part, money in the enterprise fund or the revenues of the enterprise for which the enterprise fund was created.

6. The Department of Taxation shall provide to the Committee on Local Government Finance a copy of each report submitted to the Department on or after July 1, 2011, by a county or city pursuant to NRS 354.6015. The Committee shall:

(a) Review each report to determine whether the governing body of the local government is in compliance with the provisions of this section; and

(b) On or before January 15 of each odd-numbered year, submit a report of its findings to the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

~~5. As used in this section, "public utility" has the meaning ascribed to it in NRS 354.508817.~~

7. A fee increase imposed in violation of this section must not be invalidated on the basis of that violation. The sole remedy for a violation of this section is the penalty provided in NRS 354.626. Any person who pays a fee for the enterprise for which the enterprise fund is created may file a complaint with the district attorney or Attorney General alleging a violation of this section for prosecution pursuant to NRS 354.626.

8. For the purposes of paragraph (c) of subsection 1, the Committee on Local Government Finance shall adopt regulations setting forth the extent to which general, overhead, administrative and similar expenses of a local government of a type described in paragraph (c) of subsection 1 may be allocated to an enterprise fund. The regulations must require that:

(a) Each cost allocation makes an equitable distribution of all general, overhead, administrative and similar expenses of the local government among all activities of the local government, including the activities funded by the enterprise fund; and

(b) Only the enterprise fund's equitable share of those expenses may be treated as expenses of the enterprise fund and allocated to it pursuant to paragraph (c) of subsection 1.

9. Except as otherwise provided in subsections 10 and 11, if a local government has subsidized its general fund with money from an enterprise fund for the 5 fiscal years immediately preceding the fiscal year beginning on July 1, 2011, the provisions of subsection 1 do not apply until July 1, 2021, to transfers from the enterprise fund to the general fund of the local government for the purpose of subsidizing the general fund if the local government:

(a) Does not increase the amount of the transfers to subsidize the general fund in any fiscal year beginning on or after July 1, 2011, above the amount transferred in the fiscal year ending on June 30, 2011, except for loans and transfers that comply with the provisions of subsection 1; and

(b) Does not, on or after July 1, 2011, increase any fees for any enterprise fund used to subsidize the general fund except for increases described in paragraph (b) of subsection 5.

10. On or before July 1, 2012, a local government to which the provisions of subsection 9 apply shall adopt a plan to eliminate, on or before the fiscal year beginning on July 1, 2021, all transfers from any enterprise funds to subsidize the general fund that are not made in compliance with subsection 1. A copy of the plan must be filed with the Department of Taxation on or before July 15, 2012.

11. On and after July 1, 2012, the provisions of subsection 9 do not apply to a local government that fails to comply with the provisions of subsection 10.

Sec. 2. NRS 354.470 is hereby amended to read as follows:

354.470 NRS 354.470 to 354.626, inclusive, **and section 1 of this act** may be cited as the Local Government Budget and Finance Act.

Sec. 3. NRS 354.472 is hereby amended to read as follows:

354.472 1. The purposes of NRS 354.470 to 354.626, inclusive, **and section 1 of this act** are:

(a) To establish standard methods and procedures for the preparation, presentation, adoption and administration of budgets of all local governments.

(b) To enable local governments to make financial plans for programs of both current and capital expenditures and to formulate fiscal policies to accomplish these programs.

(c) To provide for estimation and determination of revenues, expenditures and tax levies.

(d) To provide for the control of revenues, expenditures and expenses in order to promote prudence and efficiency in the expenditure of public money.

(e) To provide specific methods enabling the public, taxpayers and investors to be apprised of the financial preparations, plans, policies and administration of all local governments.

2. For the accomplishment of these purposes, the provisions of NRS 354.470 to 354.626, inclusive, **and section 1 of this act** must be broadly and liberally construed.

Sec. 4. NRS 354.474 is hereby amended to read as follows:

354.474 1. Except as otherwise provided in subsections 2 and 3, the provisions of NRS 354.470 to 354.626, inclusive, **and section 1 of this act** apply to all local governments. For the purpose of NRS 354.470 to 354.626, inclusive ~~to~~, **and section 1 of this act**:

(a) “Local government” means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318 and 379 of NRS, NRS 450.550 to 450.750, inclusive, and chapters 474, 541, 543 and 555 of NRS, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision.

(b) “Local government” does not include the Nevada Rural Housing Authority.

2. An irrigation district organized pursuant to chapter 539 of NRS shall fix rates and levy assessments as provided in NRS 539.667 to 539.683,

inclusive. The levy of such assessments and the posting and publication of claims and annual financial statements as required by chapter 539 of NRS shall be deemed compliance with the budgeting, filing and publication requirements of NRS 354.470 to 354.626, inclusive, **and section 1 of this act**, but any such irrigation district which levies an ad valorem tax shall comply with the filing and publication requirements of NRS 354.470 to 354.626, inclusive, **and section 1 of this act** in addition to the requirements of chapter 539 of NRS.

3. An electric light and power district created pursuant to chapter 318 of NRS shall be deemed to have fulfilled the requirements of NRS 354.470 to 354.626, inclusive, **and section 1 of this act** for a year in which the district does not issue bonds or levy an assessment if the district files with the Department of Taxation a copy of all documents relating to its budget for that year which the district submitted to the Rural Utilities Service of the United States Department of Agriculture.

Sec. 5. NRS 354.476 is hereby amended to read as follows:

354.476 As used in NRS 354.470 to 354.626, inclusive, **and section 1 of this act**, unless the context otherwise requires, the words and terms defined in NRS 354.479 to 354.578, inclusive, have the meanings ascribed to them in those sections.

Sec. 6. NRS 354.524 is hereby amended to read as follows:

354.524 "Final budget" means the budget which has been adopted by a local governing body or adopted by default as defined by NRS 354.470 to 354.626, inclusive, **and section 1 of this act** and which has been determined by the Department of Taxation to be in compliance with applicable statutes and regulations.

Sec. 7. NRS 354.594 is hereby amended to read as follows:

354.594 The Committee on Local Government Finance shall determine and advise local government officers of regulations, procedures and report forms for compliance with NRS 354.470 to 354.626, inclusive ~~and~~ , **and section 1 of this act**.

Sec. 8. NRS 354.6241 is hereby amended to read as follows:

354.6241 1. The statement required by paragraph (a) of subsection 5 of NRS 354.624 must indicate for each fund set forth in that paragraph:

(a) Whether the fund is being used in accordance with the provisions of this chapter.

(b) Whether the fund is being administered in accordance with generally accepted accounting procedures.

(c) Whether the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund.

(d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds.

- (e) The statutory and regulatory requirements applicable to the fund.
- (f) The balance and retained earnings of the fund.

2. Except as otherwise provided in NRS 354.59891 ~~[-]~~ **and section 1 of this act**, to the extent that the reserve in any fund set forth in paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary to carry out the purposes for which the fund was created, the reserve may be expended by the local government pursuant to the provisions of chapter 288 of NRS.

Sec. 9. NRS 354.626 is hereby amended to read as follows:

354.626 1. No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law. Any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, **and section 1 of this act** is guilty of a misdemeanor and upon conviction thereof ceases to hold his or her office or employment. Prosecution for any violation of this section may be conducted by the Attorney General or, in the case of incorporated cities, school districts or special districts, by the district attorney.

2. Without limiting the generality of the exceptions contained in subsection 1, the provisions of this section specifically do not apply to:

(a) Purchase of coverage and professional services directly related to a program of insurance which require an audit at the end of the term thereof.

(b) Long-term cooperative agreements as authorized by chapter 277 of NRS.

(c) Long-term contracts in connection with planning and zoning as authorized by NRS 278.010 to 278.630, inclusive.

(d) Long-term contracts for the purchase of utility service such as, but not limited to, heat, light, sewerage, power, water and telephone service.

(e) Contracts between a local government and an employee covering professional services to be performed within 24 months following the date of such contract or contracts entered into between local government employers and employee organizations.

(f) Contracts between a local government and any person for the construction or completion of public works, money for which has been or will be provided by the proceeds of a sale of bonds, medium-term obligations or an installment-purchase agreement and that are entered into by the local government after:

(1) Any election required for the approval of the bonds or installment-purchase agreement has been held;

(2) Any approvals by any other governmental entity required to be obtained before the bonds, medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(3) The ordinance or resolution that specifies each of the terms of the bonds, medium-term obligations or installment-purchase agreement, except those terms that are set forth in subsection 2 of NRS 350.165, has been adopted.

↪ Neither the fund balance of a governmental fund nor the equity balance in any proprietary fund may be used unless appropriated in a manner provided by law.

(g) Contracts which are entered into by a local government and delivered to any person solely for the purpose of acquiring supplies, services and equipment necessarily ordered in the current fiscal year for use in an ensuing fiscal year and which, under the method of accounting adopted by the local government, will be charged against an appropriation of a subsequent fiscal year. Purchase orders evidencing such contracts are public records available for inspection by any person on demand.

(h) Long-term contracts for the furnishing of television or FM radio broadcast translator signals as authorized by NRS 269.127.

(i) The receipt and proper expenditure of money received pursuant to a grant awarded by an agency of the Federal Government.

(j) The incurrence of obligations beyond the current fiscal year under a lease or contract for installment purchase which contains a provision that the obligation incurred thereby is extinguished by the failure of the governing body to appropriate money for the ensuing fiscal year for the payment of the amounts then due.

(k) The receipt by a local government of increased revenue that:

(1) Was not anticipated in the preparation of the final budget of the local government; and

(2) Is required by statute to be remitted to another governmental entity.

(l) An agreement authorized pursuant to NRS 277A.370.

Sec. 10. Section 1 of this act is hereby amended to read as follows:

Section 1. Chapter 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, the governing body of a local government may, on or after July 1, 2011, loan or transfer money from an enterprise fund, money collected from fees imposed for the purpose for which an enterprise fund was created or any income or interest earned on money in an enterprise fund only if the loan or transfer is made:

(a) In accordance with a medium-term obligation issued by the recipient in compliance with the provisions of chapter 350 of NRS, the loan or transfer is proposed to be made and the governing body approves the loan or transfer

under a nonconsent item that is separately listed on the agenda for a regular meeting of the governing body, and:

(1) The money is repaid in full to the enterprise fund within 5 years; or
(2) If the recipient will be unable to repay the money in full to the enterprise fund within 5 years, the recipient notifies the Committee on Local Government Finance of:

(I) The total amount of the loan or transfer;
(II) The purpose of the loan or transfer;
(III) The date of the loan or transfer; and
(IV) The estimated date that the money will be repaid in full to the enterprise fund;

(b) To pay the expenses related to the purpose for which the enterprise fund was created;

(c) For a cost allocation for employees, equipment or other resources related to the purpose of the enterprise fund which is approved by the governing body under a nonconsent item that is separately listed on the agenda for a regular meeting of the governing body; or

(d) Upon the dissolution of the enterprise fund.

2. Except as otherwise provided in this section, the governing body of a local government may increase the amount of any fee imposed for the purpose for which an enterprise fund was created only if the governing body approves the increase under a nonconsent item that is separately listed on the agenda for a regular meeting of the governing body, and the governing body determines that:

(a) The increase is not prohibited by law;

(b) The increase is necessary for the continuation or expansion of the purpose for which the enterprise fund was created; and

(c) All fees that are deposited in the enterprise fund are used solely for the purposes for which the fees are collected.

3. Upon the adoption of an increase in any fee pursuant to subsection 2, the governing body shall, except as otherwise provided in this subsection, provide to the Department of Taxation an executed copy of the action increasing the fee. This requirement does not apply to the governing body of a federally regulated airport.

4. The provisions of subsection 2 do not limit the authority of the governing body of a local government to increase the amount of any fee imposed upon a public utility in compliance with the provisions of NRS 354.59881 to 354.59889, inclusive, for a right-of-way over any public area if the public utility is billed separately for that fee. As used in this subsection, “public utility” has the meaning ascribed to it in NRS 354.598817.

5. This section must not be construed to:

(a) Prohibit a local government from increasing a fee or using money in an enterprise fund to repay a loan lawfully made to the enterprise fund from another fund of the local government; or

(b) Prohibit or impose any substantive or procedural limitations on any increase of a fee that is necessary to meet the requirements of an instrument that authorizes any bonds or other debt obligations which are secured by or payable from, in whole or in part, money in the enterprise fund or the revenues of the enterprise for which the enterprise fund was created.

6. The Department of Taxation shall provide to the Committee on Local Government Finance a copy of each report submitted to the Department on or after July 1, 2011, by a county or city pursuant to NRS 354.6015. The Committee shall:

(a) Review each report to determine whether the governing body of the local government is in compliance with the provisions of this section; and

(b) On or before January 15 of each odd-numbered year, submit a report of its findings to the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

7. A fee increase imposed in violation of this section must not be invalidated on the basis of that violation. The sole remedy for a violation of this section is the penalty provided in NRS 354.626. Any person who pays a fee for the enterprise for which the enterprise fund is created may file a complaint with the district attorney or Attorney General alleging a violation of this section for prosecution pursuant to NRS 354.626.

8. For the purposes of paragraph (c) of subsection 1, the Committee on Local Government Finance shall adopt regulations setting forth the extent to which general, overhead, administrative and similar expenses of a local government of a type described in paragraph (c) of subsection 1 may be allocated to an enterprise fund. The regulations must require that:

(a) Each cost allocation makes an equitable distribution of all general, overhead, administrative and similar expenses of the local government among all activities of the local government, including the activities funded by the enterprise fund; and

(b) Only the enterprise fund's equitable share of those expenses may be treated as expenses of the enterprise fund and allocated to it pursuant to paragraph (c) of subsection 1.

~~{9. Except as otherwise provided in subsections 10 and 11, if a local government has subsidized its general fund with money from an enterprise fund for the 5 fiscal years immediately preceding the fiscal year beginning on July 1, 2011, the provisions of subsection 1 do not apply until July 1, 2021, to transfers from the enterprise fund to the general fund of the local government for the purpose of subsidizing the general fund if the local government:~~

~~(a) Does not increase the amount of the transfers to subsidize the general fund in any fiscal year beginning on or after July 1, 2011, above the amount transferred in the fiscal year ending on June 30, 2011, except for loans and transfers that comply with the provisions of subsection 1; and~~

~~(b) Does not, on or after July 1, 2011, increase any fees for any enterprise fund used to subsidize the general fund except for increases described in paragraph (b) of subsection 5.~~

~~10. On or before July 1, 2012, a local government to which the provisions of subsection 9 apply shall adopt a plan to eliminate, on or before the fiscal year beginning on July 1, 2021, all transfers from any enterprise funds to subsidize the general fund that are not made in compliance with subsection 1. A copy of the plan must be filed with the Department of Taxation on or before July 15, 2012.~~

~~11. On and after July 1, 2012, the provisions of subsection 9 do not apply to a local government that fails to comply with the provisions of subsection 10.]~~

~~[Sec. 10.]~~ **Sec. 11.** Section 3.130 of the Charter of the City of Las Vegas, being chapter 517, Statutes of Nevada 1983, at page 1409, is hereby amended to read as follows:

Sec. 3.130 Department of Financial Management: Director; qualifications; duties.

1. The City Council shall establish a Department of Financial Management, the head of which is the Director of Financial Management. The Department of Financial Management may also include such other qualified personnel as the City Manager determines are necessary properly to handle the financial matters of the City.

2. The Director of Financial Management:

- (a) Must have knowledge of municipal accounting and taxation.
- (b) Must have experience in budgeting and financial control.
- (c) Has charge of the administration of the financial affairs of the City.
- (d) Must provide a surety bond in the amount which is fixed by the City Council.

(e) Shall perform or cause to be performed on behalf of the City all of the duties and responsibilities which are imposed upon the City by NRS 354.470 to 354.626, inclusive ~~[,]~~, **and section 1 of this act.**

3. The City Council may establish by ordinance such regulations as it deems are necessary for the proper conduct of the Department of Financial Management and its officers and employees.

Sec. 12. The Committee on Local Government Finance shall, on or before January 1, 2012, adopt such regulations as the Committee determines to be necessary to carry out the provisions of subsection 8 of section 1 of this act.

~~[Sec. 11.]~~ **Sec. 13. 1. This ~~[act becomes]~~ section and sections 1 to 9, inclusive, 11 and 12 of this act become** effective on July 1, 2011.

2. Section 10 of this act becomes effective on July 1, 2021.

Assemblywoman Kirkpatrick moved that the Assembly concur in the Senate Amendment No. 749 to Assembly Bill No. 471.

Remarks by Assemblywoman Kirkpatrick.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Assembly Bill No. 242.

The following Senate amendment was read:

Amendment No. 745.

SUMMARY—Requires ~~fa quasi-public organization that receives money from a state agency]~~ **certain organizations** to make available certain information. (BDR 31-67)

AN ACT relating to state financial administration; requiring each ~~[quasi-public]~~ **designated** organization that receives money from ~~[a state agency]~~ **the Department of Health and Human Services** to make available certain information ~~[;]~~ **to the public and to make reports biannually to the Department; requiring the Department to submit those reports to the Director of the Legislative Counsel Bureau;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires certain governmental entities to report quarterly to the Interim Finance Committee regarding the taxes and fees that were legally due to be paid to the governmental entity, the taxes and fees that the governmental entity was actually able to collect, and the taxes and fees that the governmental entity failed to collect or otherwise did not collect. (Chapter 238, Statutes of Nevada 2009, pp. 970-71) This bill requires each ~~[quasi-public]~~ **designated** organization that receives money from ~~[a state agency]~~ **the Department of Health and Human Services** in the form of a donation, gift, grant or other conveyance to: (1) make certain information concerning the organization available on an Internet website; and (2) **make certain reports to the Department every 6 months for the period commencing on July 1, 2011, and ending on June 30, 2013. This bill requires the Department to** provide copies of ~~[certain]~~ **those** reports to the Director of the Legislative Counsel Bureau. This bill defines the term ~~[“quasi-public”]~~ **“designated** organization” for the purposes of the bill to mean: (1) a nonprofit organization that qualifies for tax-exempt status under 26 U.S.C. § 501(c); or (2) any entity ~~[that]~~ **which receives money by way of a grant, contract or similar agreement for the purpose of providing to persons services that are within the purview of the Department, and**

which is created by or pursuant to an interlocal agreement. The provisions of this bill sunset on July 31, 2013.

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

Section 1. Chapter 353 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. 1. If a ~~{quasi public}~~ designated organization receives money from ~~{a state agency}~~ the Department in the form of a donation, gift, grant or other conveyance, the following information must be included on the Internet website of the ~~{quasi public}~~ designated organization or, if the organization does not have a website, on the website of the ~~{state agency from which the organization received money in the form of a donation, gift, grant or other conveyance}~~ Department:

(a) The names and terms of the persons on the board of directors or other governing body of the ~~{quasi public}~~ designated organization;

(b) The most recent annual report of the ~~{quasi public}~~ designated organization; and

(c) The mission statement or other statement of purpose of the ~~{quasi public}~~ designated organization.

2. ~~{Except as otherwise provided in this subsection, if a quasi public organization is required by law to}~~ For a period of 2 years commencing on July 1, 2011, and ending on June 30, 2013, the Department shall require, as part of any grant, contract or similar agreement pursuant to which a designated organization provides to persons services that are within the purview of the Department, that the designated organization submit a report to ~~{a state agency from which the organization receives money in the form of a donation, gift, grant or other conveyance, the organization}~~ the Department once every 6 months. Such reports must:

(a) Be submitted to the Department within 30 days after the end of each 6-month period; and

(b) At a minimum, contain the following information:

(1) The amount of money that the designated organization received from the Department during the immediately preceding 6-month period;

(2) The number of persons served pursuant to the grant, contract or similar agreement;

(3) A description of the services provided pursuant to the grant, contract or similar agreement; and

(4) Any other information deemed appropriate by the Department.

3. The Department shall ~~also~~ submit ~~a copy~~ copies of the ~~report~~ reports described in subsection 2, in electronic format, to the Director of the Legislative Counsel Bureau. ~~If the quasi public organization prepares a summary annual report for submission to a state agency from which the organization receives money in the form of a donation, gift, grant or other conveyance, the organization may submit a copy of such summary annual report to the Director of the Legislative Counsel Bureau in lieu of submitting any other report that is more frequent or specific in nature.~~

~~3.7~~

4. As used in this section:

(a) ~~“Quasi public”~~ “Department” means the Department of Health and Human Services created by NRS 232.300.

(b) “Designated organization” means:

(1) A nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c); or

(2) Any other entity that ~~is~~:

(I) Receives money by way of a grant, contract or similar agreement for the purpose of providing to persons services that are within the purview of the Department, including, without limitation, domestic violence prevention and assistance, and treatment for mental health issues and substance abuse; and

(II) Is created by or pursuant to an interlocal agreement.

~~**† (b) “State agency” means an agency, bureau, board, commission, department, division or any other unit of the Executive Department of the State Government.**~~

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. This act becomes effective upon passage and approval ~~†~~ and expires by limitation on July 31, 2013.

Assemblywoman Kirkpatrick moved that the Assembly concur in the Senate Amendment No. 745 to Assembly Bill No. 242.

Remarks by Assemblywoman Kirkpatrick.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Mr. Speaker announced if there were no objections, the Assembly would recess subject to the call of the Chair.

Assembly in recess at 4:21 p.m.

ASSEMBLY IN SESSION

At 4:24 p.m.

Mr. Speaker presiding.

Quorum present.

Assembly Bill No. 322.

The following Senate amendment was read:

Amendment No. 714.

AN ACT relating to wildlife; revising the membership of the Board of Wildlife Commissioners to include one member who **is actively engaged in conservation and** possesses experience and expertise in advocating issues relating to conservation; revising the circumstances under which the Director of the Department of Wildlife is appointed; revising the provisions governing a program for the issuance of certain additional big game tags each year; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Board of Wildlife Commissioners, consisting of nine members appointed by the Governor, and confers broad authority upon the Commission to manage wildlife and its habitat in this State. (NRS 501.105, 501.167, 501.181) Of those nine members, existing law requires one member to be a person who is actively engaged in the conservation of wildlife. (NRS 501.171) **Section 1** of this bill revises the qualifications of that member to require **him or her to be actively engaged in conservation and to possess** experience and expertise in advocating issues relating to conservation.

Existing law requires the Governor to appoint the Director of the Department of Wildlife from among three or more persons nominated by the Commission. (NRS 501.333) **Section 2** of this bill revises that requirement to allow the Governor additional discretion in appointing the Director.

Existing law authorizes the Commission to establish a program for the issuance of additional big game tags each year, known as "Dream Tags," to hunt any species of pronghorn antelope, bear, deer, mountain goat, mountain lion, bighorn sheep or elk. The program must award the big game tags through a raffle conducted by a certain nonprofit organization. The money received by the nonprofit organization from the proceeds of the raffle, less any administrative costs, must be used to preserve, protect, manage or restore game and its habitat. (NRS 502.219) In lieu of authorizing the Commission to establish such a program, **section 3** of this bill establishes that program by statute.

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

Section 1. NRS 501.171 is hereby amended to read as follows:

501.171 1. A county advisory board to manage wildlife shall submit written nominations for appointments to the Commission upon the request of the Governor and may submit nominations at any other time.

2. After consideration of the written nominations submitted by a county advisory board to manage wildlife and any additional candidates for appointment to the Commission, the Governor shall appoint to the Commission:

(a) One member who is actively engaged in [the] and possesses experience and expertise in advocating issues relating to conservation ; ~~of wildlife;~~

(b) One member who is actively engaged in farming;

(c) One member who is actively engaged in ranching;

(d) One member who represents the interests of the general public; and

(e) Five members who during at least 3 of the 4 years immediately preceding their appointment held a resident license to fish or hunt, or both, in Nevada.

3. The Governor shall not appoint to the Commission any person who has been convicted of:

(a) A felony or gross misdemeanor for a violation of NRS 501.376;

(b) A gross misdemeanor for a violation of NRS 502.060;

(c) A felony or gross misdemeanor for a violation of NRS 504.395; or

(d) Two or more violations of the provisions of chapters 501 to 504, inclusive, of NRS,

↪ during the previous 10 years.

4. Not more than three members may be from the same county whose population is 400,000 or more, not more than two members may be from the same county whose population is 100,000 or more but less than 400,000, and not more than one member may be from the same county whose population is less than 100,000.

5. The Commission shall annually select a Chair and a Vice Chair from among its members. A person shall not serve more than two consecutive terms as Chair.

Sec. 2. NRS 501.333 is hereby amended to read as follows:

501.333 1. ~~[From among three or more nominees of the Commission, the]~~ **The** Governor shall appoint a Director of the Department, who is its Chief Administrative Officer. The Director serves at the pleasure of the Governor.

2. The Governor shall select as Director a person having an academic degree in the management of wildlife or a closely related field, substantial experience in the management of wildlife and a demonstrated ability to

administer a major public agency. ***When appointing the Director, the Governor may consider any person nominated by the Commission.***

3. The Director is in the unclassified service of the State.

Sec. 3. NRS 502.219 is hereby amended to read as follows:

502.219 1. ~~{The Commission may establish a}~~ A program ***is hereby established*** for the issuance of additional big game tags each year to be known as “Dream Tags.” ~~{If the Commission establishes such a program, the}~~ ***The*** program must provide:

(a) For the issuance of Dream Tags to either a resident or nonresident of this State;

(b) For the issuance of one Dream Tag for each species of big game for which 50 or more tags were available under the quota established for the species by the Commission during the previous year; and

(c) For the sale of Dream Tags to a nonprofit organization pursuant to this section.

2. ~~The {Commission may adopt regulations establishing such other provisions concerning Dream Tags as the Commission determines reasonable or necessary in carrying out the program.}~~ ***Department shall administer the program and shall take such actions as the Department determines are necessary to carry out the provisions of this section and NRS 502.222 and 502.225.***

3. A nonprofit organization established through the Community Foundation of Western Nevada which is exempt from taxation pursuant to 26 U.S.C. § 501(c)(3) and which has as its principal purpose the preservation, protection, management or restoration of wildlife and its habitat may purchase such Dream Tags from the Department, ~~{as are authorized by the Commission.}~~ at prices established by the ~~{Commission.}~~ ***Department***, subject to the following conditions:

(a) The nonprofit organization must agree to award the Dream Tags by raffle, with unlimited chances to be sold for \$5 each to persons who purchase a resource enhancement stamp pursuant to NRS 502.222.

(b) The nonprofit organization must agree to enter into a contract with a private entity that is approved by the Department which requires that the private entity agree to act as the agent of the nonprofit organization to sell chances to win Dream Tags, conduct any required drawing for Dream Tags and issue Dream Tags. For the purposes of this paragraph, a private entity that has entered into a contract with the Department pursuant to NRS 502.175 to conduct a drawing and to award and issue tags or permits as established by the Commission shall be deemed to be approved by the Department.

(c) All money received by the nonprofit organization from the proceeds of the Dream Tag raffle, less the cost of the Dream Tags purchased by the

nonprofit organization and any administrative costs charged by the Community Foundation of Western Nevada, must be used for the preservation, protection, management or restoration of game and its habitat, as determined by the Advisory Board on Dream Tags created by NRS 502.225.

4. All money received by the Department for Dream Tags pursuant to this section must be deposited with the State Treasurer for credit to the Wildlife Account in the State General Fund.

5. The nonprofit organization shall, on or before February 1 of each year, report to the ~~[Commission]~~ **Department** and the Interim Finance Committee concerning the Dream Tag program, including, without limitation:

(a) The number of Dream Tags issued during the immediately preceding calendar year;

(b) The total amount of money paid to the Department for Dream Tags during the immediately preceding calendar year;

(c) The total amount of money received by the nonprofit organization from the proceeds of the Dream Tag raffle, the amount of such money expended by the nonprofit organization and a description of each project for which the money was spent; and

(d) Any recommendations concerning the ~~[continuation of the]~~ program or necessary legislation.

6. As used in this section, “big game tag” means a tag permitting a person to hunt any species of pronghorn antelope, bear, deer, mountain goat, mountain lion, bighorn sheep or elk.

Sec. 4. 1. As soon as practicable after the effective date of this section, the Governor shall appoint one member of the Board of Wildlife Commissioners who is qualified pursuant to paragraph (a) of subsection 2 of NRS 501.171, as amended by section 1 of this act.

2. The term of the member of the Board of Wildlife Commissioners who was appointed pursuant to paragraph (a) of subsection 2 of NRS 501.171 before the effective date of this section expires:

(a) Upon the expiration of the term for which he or she was appointed; or

(b) Upon the appointment by the Governor of the member specified in subsection 1,

➡ whichever occurs first.

Sec. 5. 1. This section and sections 1, 2 and 4 of this act become effective upon passage and approval.

2. Section 3 of this act becomes effective on July 1, 2011.

Assemblywoman Carlton moved that the Assembly concur in the Senate Amendment No. 714 to Assembly Bill No. 222.

Remarks by Assemblywoman Carlton.

Motion carried by a constitutional majority.

Bill ordered enrolled.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Assemblyman Oceguela, the privilege of the floor of the Assembly Chamber for this day was extended to Cedric Williams.

Assemblyman Conklin moved that the Assembly adjourn until Thursday, June 2, 2011, at 11 a.m., and that it do so in memory of former Supreme Court Justice Cameron Batjer, with thoughts and prayers to the Batjer family.
Motion carried.

Assembly adjourned at 4:27 p.m.

Approved:

JOHN OCEGUERA
Speaker of the Assembly

Attest: SUSAN FURLONG
Chief Clerk of the Assembly