

SENATE BILL NO. 381—SENATORS BROWER, HAMMOND,
HUTCHISON, HARDY; AND SETTELMAYER

MARCH 18, 2013

Referred to Committee on Health and Human Services

SUMMARY—Makes various changes to prevent recipients of certain public assistance from using benefits for certain purposes. (BDR 38-459)

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

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

AN ACT relating to public welfare; prohibiting recipients of certain public assistance from using benefits received for certain purposes; requiring certain businesses to take certain measures to prevent such recipients of certain public assistance from using their benefits for those prohibited purposes; providing for the suspension of the license of a business that does not take those measures; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Division of Welfare and Supportive Services of the Department of Health and Human Services to establish a written plan for personal responsibility for a household receiving benefits pursuant to the program for Temporary Assistance to Needy Families. (NRS 422A.535) **Section 1** of this bill requires any written plan for personal responsibility to prohibit recipients from using benefits for gaming or pari-mutuel wagering, to obtain the services of a prostitute, to purchase tobacco, alcohol, tattooing or body piercing, a bail bond, adult entertainment or lottery tickets, or for any illegal purpose. **Section 1** also prohibits a person from accepting a public assistance electronic benefit transfer card, which is a card issued by the Division to a recipient of benefits pursuant to the program to allow the recipient to access and process transactions using his or her benefits, for an unauthorized purpose.

Sections 2-8 of this bill require the proprietors and employees of certain businesses that sell alcohol or bail bonds or are in the business of gaming to prevent the use of a public assistance electronic benefit transfer card for a prohibited purpose. Those sections further require those businesses to report to the Division any attempt by a person to use public assistance benefits for a prohibited purpose. Those businesses are also required to disable the ability of any point-of-sale



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terminal or automated teller on the premises of the business to accept a public assistance electronic benefit transfer card issued pursuant to the program for Temporary Assistance to Needy Families. The Division is required to notify the licensing authority for those businesses if they fail to comply with these requirements and the licensing authority for those businesses is required to immediately suspend the license of such a business that fails to meet the requirements.

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

Section 1. NRS 422A.535 is hereby amended to read as follows:

422A.535 1. The Division shall, with the participation of the head of a household who is applying for benefits, establish a written plan for personal responsibility for the household. The plan for personal responsibility must be based on the assessment made pursuant to NRS 422A.530 and 42 U.S.C. § 608.

2. In addition to the requirements set forth in 42 U.S.C. § 608, the plan required pursuant to subsection 1 must:

(a) Identify the role of each member of the household and the obligations of each member pursuant to the plan;

(b) Be signed by the head of the household within 60 days after the head of household is determined to be eligible for benefits; and

(c) Specify a date, not later than 24 months after the date the plan becomes effective, upon which the plan will expire.

3. *The plan required pursuant to subsection 1 must prohibit any benefits from being used by any person in the household who is subject to the plan:*

(a) *For gaming or gambling, as defined in NRS 463.0153;*

(b) *For pari-mutuel wagering, as authorized by chapter 464 of NRS;*

(c) *To obtain the services of a prostitute;*

(d) *To purchase:*

(1) *Tobacco or any product containing tobacco;*

(2) *Any alcoholic beverage;*

(3) *Tattooing or body piercing;*

(4) *A bail bond;*

(5) *Any form of entertainment which seeks to arouse or excite the sexual desires of a person, including pornography; or*

(6) *Tickets or shares in any lottery; and*

(e) *For any illegal purpose.*

4. *A person shall not knowingly accept a public assistance electronic benefit transfer card for any prohibited use listed in subsection 3.*



1 ***5. A recipient who attempts to use benefits or uses benefits for***
2 ***any prohibited purpose listed in subsection 3 shall be deemed to***
3 ***have failed to comply with the plan established pursuant to***
4 ***subsection 1.***

5 ***6.*** The Division shall periodically review the plan required
6 pursuant to subsection 1 to determine whether the needs of the
7 household have changed. The Division may, with the participation
8 of the head of the household, amend the plan as it deems
9 appropriate.

10 ~~14.1~~ ***7.*** If a member of the household is an unmarried parent
11 who is less than 18 years of age, the plan required pursuant to
12 subsection 1 must include a provision which:

13 (a) Requires the head of the household to ensure that the
14 unmarried parent attends training to learn the skills necessary to care
15 for the child; and

16 (b) Encourages the head of the household to ensure that the
17 unmarried parent participates in a program which provides mentors
18 for unmarried parents who are less than 18 years of age.

19 ***8. As used in this section, "public assistance electronic***
20 ***benefit transfer card" means a plastic card or any other access***
21 ***device issued by the Division to a recipient of benefits that enables***
22 ***the recipient to have access to and process transactions involving***
23 ***benefits.***

24 ***Sec. 2.*** Chapter 244 of NRS is hereby amended by adding
25 thereto a new section to read as follows:

26 ***1. A licensee or an employee of a licensee shall not knowingly***
27 ***allow a person to use a public assistance electronic benefit***
28 ***transfer card to purchase an alcoholic beverage at the place of***
29 ***business of the licensee.***

30 ***2. If a person attempts to use his or her public assistance***
31 ***electronic benefit transfer card to purchase an alcoholic beverage***
32 ***at the place of business of a licensee, the licensee shall report that***
33 ***attempt to the Division.***

34 ***3. A licensee shall disable the ability of any point-of-sale***
35 ***terminal or automated teller located on the premises of his or her***
36 ***business to accept a public assistance electronic benefit transfer***
37 ***card.***

38 ***4. The Division shall notify the liquor board that issued the***
39 ***license to a licensee of any failure of the licensee or his or her***
40 ***employees to comply with any provision of this section.***

41 ***5. The liquor board shall suspend the license of the licensee***
42 ***upon receiving notification from the Division or otherwise***
43 ***determining that the licensee has failed to comply with any***
44 ***provision of this section. If the licensee remains otherwise eligible***
45 ***to be licensed, the liquor board may reinstate the license:***



(a) If the licensee is found to have violated the provisions of subsection 1 or 2, when the licensee shows that he or she has taken appropriate measures to prevent future violations; or

(b) If the licensee is found to have violated the provisions of subsection 3, when the licensee demonstrates compliance with subsection 3.

6. As used in this section:

(a) "Automated teller" has the meaning ascribed to it in NRS 354.780.

(b) "Division" means the Division of Welfare and Supportive Services of the Department of Health and Human Services.

(c) "Licensee" means a person who holds a liquor license issued pursuant to NRS 244.350.

(d) "Point-of-sale terminal" means an information processing device or machine located on the premises of a business:

(1) Through which transaction messages are initiated and electronically transmitted to an acquirer to effectuate a purchase or cash advance; and

(2) Which accepts debit cards, credit cards or public assistance electronic benefit transfer cards.

(e) "Public assistance electronic benefit transfer card" has the meaning ascribed to it in NRS 422A.535.

Sec. 3. NRS 244.3525 is hereby amended to read as follows:

244.3525 1. The chair or clerk of the board of county commissioners to enforce NRS 244.331 to 244.3345, inclusive, and 244.335 to 244.340, inclusive, the chair or clerk of the license board of the county to enforce NRS 244.345 and the chair or clerk of the liquor board of the county to enforce NRS 244.350, 244.3501 and 244.351 and section 2 of this act may:

(a) Administer oaths and require testimony under oath;

(b) Pay witnesses a reasonable allowance for travel and subsistence; and

(c) Appoint hearing officers who may administer oaths and receive testimony given under oath.

2. Each hearing officer appointed pursuant to paragraph (c) of subsection 1 must be a resident of this State who is a graduate of:

(a) An accredited law school; or

(b) An accredited 4-year college and has at least 5 years' experience in public administration,

➤ and who has completed a course of instruction in administrative law, relating to the provisions of this chapter, offered by the office of the district attorney for the county. This course must consist of at least 4 hours of instruction in a classroom.

3. Any notice given by the board must be served in the manner required for civil actions.



1 **Sec. 4.** Chapter 268 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *A licensee or an employee of a licensee shall not knowingly*
4 *allow a person to use a public assistance electronic benefit*
5 *transfer card to purchase an alcoholic beverage at the place of*
6 *business of the licensee.*

7 2. *If a person attempts to use his or her public assistance*
8 *electronic benefit transfer card to purchase an alcoholic beverage*
9 *at the place of business of a licensee, the licensee shall report that*
10 *attempt to the Division.*

11 3. *A licensee shall disable the ability of any point-of-sale*
12 *terminal or automated teller machine located on the premises of*
13 *his or her business to accept a public assistance electronic benefit*
14 *transfer card.*

15 4. *The Division shall notify the licensing authority of the*
16 *incorporated city that issued the license to a licensee of any failure*
17 *of the licensee or his or her employees to comply with any*
18 *provision of this section.*

19 5. *The licensing authority shall suspend the license of the*
20 *licensee upon receiving notification from the Division or otherwise*
21 *determining that the licensee has failed to comply with any*
22 *provision of this section. If the licensee remains otherwise eligible*
23 *to be licensed, the licensing authority may reinstate the license:*

24 (a) *If the licensee is found to have violated the provisions of*
25 *subsection 1 or 2, when the licensee shows that he or she has*
26 *taken appropriate measures to prevent future violations; or*

27 (b) *If the licensee is found to have violated the provisions of*
28 *subsection 3, when the licensee demonstrates compliance with*
29 *subsection 3.*

30 6. *As used in this section:*

31 (a) *“Automated teller” has the meaning ascribed to it in*
32 *NRS 354.780.*

33 (b) *“Division” means the Division of Welfare and Supportive*
34 *Services of the Department of Health and Human Services.*

35 (c) *“Licensee” means a person who holds a liquor license*
36 *issued pursuant to NRS 268.090.*

37 (d) *“Point-of-sale terminal” means an information processing*
38 *device or machine located on the premises of a business:*

39 (1) *Through which transaction messages are initiated and*
40 *electronically transmitted to an acquirer to effectuate a purchase*
41 *or cash advance; and*

42 (2) *Which accepts debit cards, credit cards or public*
43 *assistance electronic benefit transfer cards.*

44 (e) *“Public assistance electronic benefit transfer card” has the*
45 *meaning ascribed to it in NRS 422A.535.*



1 **Sec. 5.** Chapter 463 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *A licensee or an employee of a licensee shall not knowingly*
4 *allow a person to use a public assistance electronic benefit*
5 *transfer card for gaming at the place of business of the licensee.*

6 2. *If a person attempts to use his or her public assistance*
7 *electronic benefit transfer card for gaming at the place of business*
8 *of a licensee, the licensee shall report that attempt to the Division.*

9 3. *A licensee shall disable the ability of any point-of-sale*
10 *terminal or automated teller machine located on the premises of*
11 *his or her business to accept a public assistance electronic benefit*
12 *transfer card.*

13 4. *The Division shall notify the Commission of any failure of*
14 *the licensee or his or her employees to comply with any provision*
15 *of this section.*

16 5. *The Commission shall issue an emergency suspension of*
17 *the license of the licensee upon receiving notification from the*
18 *Division or otherwise determining that the licensee has failed to*
19 *comply with any provision of this section. If the licensee remains*
20 *otherwise eligible to be licensed, the Commission may reinstate the*
21 *license:*

22 (a) *If the licensee is found to have violated the provisions of*
23 *subsection 1 or 2, when the licensee shows that he or she has*
24 *taken appropriate measures to prevent future violations; or*

25 (b) *If the licensee is found to have violated the provisions of*
26 *subsection 3, when the licensee demonstrates compliance with*
27 *subsection 3.*

28 6. *As used in this section:*

29 (a) *“Automated teller” has the meaning ascribed to it in*
30 *NRS 354.780.*

31 (b) *“Division” means the Division of Welfare and Supportive*
32 *Services of the Department of Health and Human Services.*

33 (c) *“Licensee” means a person who holds a nonrestricted*
34 *license, as defined in NRS 463.0177.*

35 (d) *“Point-of-sale terminal” means an information processing*
36 *device or machine located on the premises of a business:*

37 (1) *Through which transaction messages are initiated and*
38 *electronically transmitted to an acquirer to effectuate a purchase*
39 *or cash advance; and*

40 (2) *Which accepts debit cards, credit cards or public*
41 *assistance electronic benefit transfer cards.*

42 (e) *“Public assistance electronic benefit transfer card” has the*
43 *meaning ascribed to it in NRS 422A.535.*



1 **Sec. 6.** NRS 463.311 is hereby amended to read as follows:

2 463.311 The Commission may issue an emergency order for
3 suspension, limitation or conditioning of a license, registration,
4 finding of suitability, pari-mutuel license or prior approval, or may
5 issue an emergency order requiring a licensed gaming establishment
6 to keep an individual licensee from the premises of the licensed
7 gaming establishment or not to pay such licensee any remuneration
8 for services or any profits, income or accruals on the investment of
9 the licensee in the licensed gaming establishment in the following
10 manner:

11 1. ~~[A+] Except as otherwise provided in section 5 of this act,~~
12 *an* emergency order may be issued only when the Commission
13 believes that:

14 (a) There has been a violation of subsection 2 of NRS 463.360
15 or NRS 465.083;

16 (b) Such action is necessary to prevent a violation of
17 NRS 465.083;

18 (c) There has been a violation of subsection 1 of NRS 463.160;
19 or

20 (d) Such action is necessary for the immediate preservation of
21 the public peace, health, safety, morals, good order or general
22 welfare.

23 2. The emergency order must set forth the grounds upon which
24 it is issued, including a statement of facts constituting the alleged
25 emergency necessitating such action.

26 3. An emergency order may be issued only with the approval
27 of and upon signature by not less than three members of the
28 Commission.

29 4. The emergency order is effective immediately upon issuance
30 and service upon the licensee or registered agent of the licensee or,
31 in cases involving registrations, findings of suitability, pari-mutuel
32 licenses or any prior approval, upon issuance and service upon the
33 person or entity involved or registered agent of the entity involved.
34 The emergency order may suspend, limit, condition or take other
35 action in relation to the license of one or more persons in an
36 operation without affecting other individual licensees or the licensed
37 gaming establishment. The emergency order remains effective until
38 further order of the Commission or final disposition of the case.

39 5. Within 5 days after issuance of an emergency order, the
40 Commission shall cause a complaint to be filed and served upon the
41 person or entity involved in accordance with the provisions of
42 NRS 463.312.

43 6. Thereafter, the person or entity against whom the emergency
44 order has been issued and served is entitled to a hearing before the
45 Commission in accordance with NRS 463.312 to 463.3145,



1 inclusive, and to judicial review of the decision and order of the
2 Commission thereon in accordance with NRS 463.315 to 463.318,
3 inclusive.

4 **Sec. 7.** NRS 463.482 is hereby amended to read as follows:

5 463.482 As used in NRS 463.160 to 463.170, inclusive, *and*
6 *section 5 of this act*, 463.368, 463.386, 463.482 to 463.645,
7 inclusive, and 463.750, unless the context otherwise requires, the
8 words and terms defined in NRS 463.4825 to 463.488, inclusive,
9 have the meanings ascribed to them in those sections.

10 **Sec. 8.** Chapter 697 of NRS is hereby amended by adding
11 thereto a new section to read as follows:

12 *1. A bail agent or an employee of a bail agent shall not*
13 *knowingly allow a person to use a public assistance electronic*
14 *benefit transfer card to purchase a bail bond at the place of*
15 *business of the licensee.*

16 *2. If a person attempts to use his or her public assistance*
17 *electronic benefit transfer card to purchase a bail bond at the*
18 *place of business of a bail agent, the bail agent shall report that*
19 *attempt to the Division.*

20 *3. A bail agent shall disable the ability of any point-of-sale*
21 *terminal or automated teller located on the premises of his or her*
22 *business to accept a public assistance electronic benefit transfer*
23 *card.*

24 *4. The Division shall notify the Commissioner of any failure*
25 *of the licensee or his or her employees to comply with any*
26 *provision of this section.*

27 *5. The Commissioner shall suspend the license of the bail*
28 *agent upon receiving notification from the Division or otherwise*
29 *determining that the licensee has failed to comply with any*
30 *provision of this section. If the bail agent remains otherwise*
31 *eligible to be licensed, the Commissioner may reinstate the license:*

32 *(a) If the bail agent is found to have violated the provisions of*
33 *subsection 1 or 2, when the bail agent shows that he or she has*
34 *taken appropriate measures to prevent future violations; or*

35 *(b) If the bail agent is found to have violated the provisions of*
36 *subsection 3, when the licensee demonstrates compliance with*
37 *subsection 3.*

38 *6. As used in this section:*

39 *(a) "Automated teller" has the meaning ascribed to it in*
40 *NRS 354.780.*

41 *(b) "Division" means the Division of Welfare and Supportive*
42 *Services of the Department of Health and Human Services.*

43 *(c) "Point-of-sale terminal" means an information processing*
44 *device or machine located on the premises of a business:*



1 *(1) Through which transaction messages are initiated and*
2 *electronically transmitted to an acquirer to effectuate a purchase*
3 *or cash advance; and*

4 *(2) Which accepts debit cards, credit cards or public*
5 *assistance electronic benefit transfer cards.*

6 *(d) “Public assistance electronic benefit transfer card” has the*
7 *meaning ascribed to it in NRS 422A.535.*

8 **Sec. 9.** This act becomes effective on July 1, 2013.

