## THE SEVENTY-FOURTH DAY

CARSON CITY (Thursday), April 18, 2013

Assembly called to order at 11:13 a.m.

Madam Speaker presiding.

Roll called.

All present except Assemblywoman Benitez-Thompson, who was excused, and one vacant.

Prayer by the Chaplain, Father John Corona.

It is an honor to be here, because I have known the Hickeys for many, many years. It is George's 100th birthday, which is a great event, and I knew Pat's mother, Eileen, many years, so it's an honor to be here. I was told to be brief, be bright, and be gone. So let us pray.

Lord, we know that a grateful heart is a happy heart, so we pause now to give You thanks and praise for this day, for this Assembly, for the gift of life, the creation that surrounds us, and all our blessings. We know, too, in our own hearts, that You create all things new.

As we begin another day of deliberation, we ask You to refresh our minds and hearts along with a creative and discerning spirit. Guide our actions and our thoughts that we may better serve the people of Nevada who sent us here. Give us the perseverance and the wisdom that we need. We ask Your special blessings upon George Hickey, and we are ever mindful of our families and friends. We make our prayer in Your name, and we all say,

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Horne 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

Madam Speaker:

Your Committee on Commerce and Labor, to which were referred Assembly Bills Nos. 226, 306, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DAVID P. BOBZIEN, Chair

Madam Speaker:

Your Committee on Education, to which was referred Assembly Bill No. 414, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Education, to which was rereferred Assembly Bill No. 403, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

ELLIOT T. ANDERSON, Chair

Madam Speaker:

Your Committee on Government Affairs, to which were referred Assembly Bills Nos. 9, 58, 218, 283, 327, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DINA NEAL, Vice Chair

Madam Speaker:

Your Committee on Health and Human Services, to which was referred Assembly Bill No. 209, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN DONDERO LOOP, Chair

Madam Speaker:

Your Committee on Natural Resources, Agriculture, and Mining, to which were referred Assembly Bills Nos. 168, 345, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

SKIP DALY, Chair

Madam Speaker:

Your Committee on Transportation, to which was referred Assembly Bill No. 244, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Transportation, to which were referred Assembly Bills Nos. 293, 336, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

RICHARD CARRILLO, Chair

#### MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, April 17, 2013

To the Honorable the Assembly:

It is my pleasure to inform your esteemed body that the Senate on this day passed Senate Bills Nos. 59, 382, 505.

Also, it is my pleasure to inform your esteemed body that the Senate on this day passed, as amended, Senate Bills Nos. 176, 276, 309, 344, 345, 442.

SHERRY L. RODRIGUEZ
Assistant Secretary of the Senate

## MOTIONS, RESOLUTIONS AND NOTICES NOTICE OF EXEMPTION

April 18, 2013

The Fiscal Analysis Division, pursuant to Joint Standing Rule 14.6, has determined the eligibility for exemption of: Assembly Bill No. 396.

CINDY JONES Fiscal Analysis Division

By Assemblymen Kirkpatrick, Aizley, Elliot Anderson, Paul Anderson, Benitez-Thompson, Bobzien, Brooks, Bustamante Adams, Carlton, Carrillo, Cohen, Daly, Diaz, District No. 17, Dondero Loop, Duncan, Eisen, Ellison, Fiore, Flores, Frierson, Grady, Hambrick, Hansen, Hardy, Healey, Hickey, Hogan, Horne, Kirner, Livermore, Martin, Munford, Neal, Ohrenschall, Oscarson, Pierce, Spiegel, Sprinkle, Stewart, Swank, Wheeler and

Woodbury; Senators Smith, Atkinson, Brower, Cegavske, Denis, Ford, Goicoechea, Gustavson, Hammond, Hardy, Hutchison, Jones, Kieckhefer, Kihuen, Manendo, Parks, Roberson, Segerblom, Settelmeyer, Spearman and Woodhouse:

Assembly Concurrent Resolution No. 5—Memorializing former Assemblyman John W. Marvel.

WHEREAS, The State of Nevada lost a true statesman and steadfast public servant on March 16, 2013, and the members of the Nevada Legislature note with sorrow the passing of one of their most highly regarded former colleagues; and

WHEREAS, John Wyland Marvel was born in Battle Mountain, Nevada, on September 11, 1926, and, after graduating as valedictorian of his class at Battle Mountain High School, served in the United States Army's 19th Infantry Regiment during World War II and was honored for his service with the Asiatic-Pacific Campaign Medal, the Army of Occupation Medal and the World War II Victory Medal; and

WHEREAS, After earning a bachelor of arts degree at the University of Nevada, Reno, in 1951, Mr. Marvel built a career as business manager of and working cowboy with one of the largest ranching operations in Nevada history, W.T. Jenkins Co., which was founded by his grandfather, and later he acquired and operated the Dunphy Ranch in Eureka County for over two decades; and

WHEREAS, This native Nevadan remained a loyal advocate for agricultural industries and the interests of this State's rural counties after he ran for the Nevada Assembly and was first elected in 1978, serving for 30 years, including 15 regular and 11 special sessions; and

WHEREAS, Assemblyman Marvel served as an invaluable member and leader of many legislative committees and contributed to forming countless public policies affecting the people of the State of Nevada, though he was proudest of his legislative efforts to support education, to secure funding for the University of Nevada School of Medicine and to reform the prison system, tax structure and water laws of this State; and

WHEREAS, Mr. Marvel earned distinction during his service in the Nevada Legislature through his contributions to national and regional legislative organizations, including the American Legislative Exchange Council and the Western Legislative Conference, and in 2009 was added to the Assembly Wall of Distinction; and

WHEREAS, A recognized expert in many fields, this distinguished Nevadan served as Chairman of the Nevada Tax Commission and the Lander County Planning Commission and as a member of the Advisory Council to the National Public Land Law Review Commission and, after his legislative service, served on the Nevada Commission on Ethics; and

WHEREAS, Mr. Marvel will be fondly remembered by those who have had the good fortune to work with him as a thoughtful, caring, down-to-earth, responsible man with a great sense of humor, who always thought of others' needs first; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the members of the 77th Session of the Nevada Legislature hereby extend their deepest condolences to former Assemblyman Marvel's wife Willie, his children Sharon, John and Michelle, and his brother Thomas; and be it further

RESOLVED, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to John's wife of more than 60 years, Willie Shidler Marvel.

Assemblyman Grady moved the adoption of the resolution.

Remarks by Assemblymen Grady, Ohrenschall, Ellison, Stewart, Sprinkle, Carlton, Horne, and Madam Speaker.

#### ASSEMBLYMAN GRADY:

As set forth in the resolution before us, the State of Nevada lost a true statesman and steadfast public servant, and a real cowboy, with the passing of former Assemblyman John W. Marvel on March 16, 2013. Fewer than half of the current members of this body had the privilege of serving with John, whose last session here was the second Special Session of 2008. I feel so fortunate to have known and worked with John. He was simply an outstanding state legislator—a man who devoted 30 years of his life to serving the people of the State of Nevada here in the Assembly.

To all of his family and loved ones gathered with us today, the members of this body extend our deepest condolences on the passing of a good friend and one of our finest members.

The members of this body in 2009 wisely added John W. Marvel to the Assembly Wall of Distinction, an honor reserved only for those past members who served with great distinction and who made exemplary contributions to the State of Nevada. That description totally matches the legacy left to us by John Marvel.

The resolution before us does an excellent job of summarizing the life and accomplishments of John Marvel, but the very nature of such a special human being and public servant is so hard to capture in words. Let me just say that John was the best.

For 30 years, John Marvel served this body with wisdom, integrity, hard work, and good humor. In 1985, he finally got the opportunity to chair a standing committee of the Assembly and was rewarded for his knowledge and past service with the chairmanship of the Ways and Means Committee. I always think that was his favorite committee. I understand from a staffer who served back then that upon assuming his new duties, Chairman Marvel announced that Ways and Means would be convening at 7 a.m. each morning. For a cowboy and rancher like John, that was probably a little late in the day to start work. But not all of his committee members felt the same way. Despite a good deal of whining about the early start, John's schedule stayed in place for most of that session.

John was always remembered for his gentle good humor. He was patient, soft-spoken, seldom angry, never rushed, and never flustered. Those who did not know him well sometimes underestimated him, but they soon learned, at their great cost, that his quiet, unassuming demeanor concealed an acute talent for political calculation. They rarely made the mistake a second time. He knew how to play his cards close to the chest. It was these formidable political talents that made him a force to be reckoned with in this Assembly.

John was passionately devoted to the interests of rural Nevada. Those of you who served with him on the Public Lands Committee will remember that when the committee met in Ely, Elko, Battle Mountain, or Winnemucca, he was always very proud to show the city slickers from Las Vegas a little bit of the real Nevada.

On a personal note, John's wife Willie was his most devoted constituent. She often attended floor sessions and sat with him at his desk in the Assembly. Y Martin was his faithful secretary for many years, like a member of the family, and she ran his office and kept him on schedule. This was the kind of loyalty that John inspired in those around him.

The resolution points out that John successfully sponsored legislation on a wide variety of subjects throughout his 30 years of service. Among those, he was proudest of his legislative efforts to support education; to secure funding for the University of Nevada School of Medicine; and to reform the prison system, tax structure, and water laws. Those alone are monumental accomplishments for which we are all grateful.

On a very personal note, when John left our Assembly, I asked for this desk, which was John's. I was very pleased to take over, and we still have the John Marvel commemorative candy jar that he also left. He left me instructions: "If you get that desk and you keep my candy jar, you make damn sure it's filled all the time." So we have made sure that his candy jar is filled all the time.

#### ASSEMBLYMAN OHRENSCHALL:

I rise in support of Assembly Concurrent Resolution No. 5. I had the privilege of serving with former Assemblyman Marvel. I also had the privilege of getting to know him before I got elected. I want to share a couple of memories that mean a lot to me. One session, I remember when he and Willie would be there at the desk every day, and how devoted they were to each other and how doting he was to Willie.

I remember whenever something would come up involving the University of Nevada, Reno, former Assemblyman Marvel was very particular, and he always wanted to correct that. It was "University of Nevada" to him, not the "University of Nevada, Reno." I had the chance to talk to his grandson, Dusty. Dusty and I went to school together and learned that one of his proudest accomplishments was the South Fork Reservoir up near Elko and the state recreation area that is near there.

I do remember the 1995 Session. I got to speak to former Speaker Hettrick today and former Co-chair Assemblyman Arberry of the Ways and Means Committee. Chairing that committee was not easy—nobody knew how to handle that committee—but John and former Assemblyman Arberry did; they made it work. They alternated days, but they made it work. It could have been a disaster, but the two of them—one of urban Nevada, one from rural Nevada—achieved great success. I rise in support and I am glad the Assembly is doing this.

#### ASSEMBLYMAN ELLISON:

I stand in support of Assembly Concurrent Resolution No. 5. My friend and mentor, John Marvel, served in the Nevada Legislature from 1979 to 2008. He worked hard as a rancher in Battle Mountain to support and care for his family. He also worked hard in care for the state. He was passionate for rural Nevada and diligently monitored laws and regulations that might impact the land of his fellow Nevadans. John leaves his wife Wilburta, "Willie"; three children, Sharon, John, and Michelle; and ten grandchildren. Several years ago, we had NACO honor John, not only for his many years of service, but his loyalty to his counties and this state.

I can tell you at about the age of five, we bought horses from John Marvel named Tonka and Cowboy. I had never been bounced so many times on my rear as I was by Cowboy. My sister went on to rodeo with Tonka, but that is how many years we go back with John Marvel and his family. John was my mentor along with John Carpenter, so these two desks here mean a lot to me. I ask that everybody please keep in honor and remember the family on this day.

#### ASSEMBLYMAN STEWART:

I stand in support of A.C.R. 5. I have the honor of occupying John's former office. Every day I walk in there and I think of John Marvel and the legacy he left to this body. It has a great effect upon me to never disgrace his name. When I arrived here in 2007 as a semi-city slicker, John Marvel took me under his wing, and I learned a great deal from the wisdom of this great Nevadan and great rancher. I would request from his family a picture of him, so that we could put it in that office to permanently make it the John Marvel office; that would be very much appreciated.

I very much appreciate all that John has meant to us and the courage that he showed in the 2003 Session and the vote that he made there, which was a very courageous vote. I am very grateful for having known him and for the legacy that he left.

## ASSEMBLYMAN SPRINKLE:

I am honored and pleased to be able to stand here today to talk about John. It may seem a little strange in what I am about to say, because in 2006 he was my opponent the first time I ran for the Assembly. Obviously, I lost, and I have said ever since then that I could not have lost to a better person. I learned so much from this man about how you treat people respectfully; how you can negotiate; how you can have differences of opinion and still be good to one another. This is something that I have kept with me this entire time. It is something that I will continue to keep with me as I progress through my professional career here in this building, but also my

personal life. This man meant a lot to me, and I really appreciate having had the time to be with him

#### ASSEMBLYWOMAN CARLTON:

I rise in support of Assembly Concurrent Resolution No. 5. I would like to share a message from a former colleague, Chris Giunchigliani, otherwise known as Chris G. She wanted to make sure this was shared with the family today:

I had the honor of serving with John, and he was a true statesman. John loved Willie dearly, and his family always came first, then the rurals, then the state as a whole. He voted for what he believed was right, despite any criticism. He understood compromise. The public school kids in Nevada still owe him a great thanks for his vote in 2003. He was a cowboy with a really big heart.

## ASSEMBLYMAN HORNE:

I rise in support of A.C.R. 5. I have got a couple short stories about John Marvel. My freshman session here, I remember my colleague over in the Senate, Kelvin Atkinson, and I would be on this floor, and former Assemblyman Marvel would speak in that gravelly voice of his. Kelvin and I would look at each other and say, "What the hell did he just say?" If everybody remembers in 2003—that was the double special session—we went into July, and I remember John was speaking on the floor, and I said, "Been here too long," because I understood every single thing he said.

Also, my son was born that session—my freshman session—and I remember when he was born John said, "That is a good looking boy, that iss a good looking boy." He never failed to stop—even in subsequent sessions—to just stick his head in my office and ask how my family was and, "How is that boy of yours? That is a good looking boy." I will never forget that.

Madam Speaker requested the privilege of the Chair for the purpose of making the following remarks:

I think Mr. Marvel did bring a lot to the freshman coming into the session. He did not let you get down the hallway very far without stopping you and asking you who you were and what you were doing in the building. If you did not give the right answer, you got an earful. My freshman session I sat on Natural Resources. That was a good committee, but it probably was not my committee, and I had asked a question and said to a bunch of ranchers, "I don't have any paperwork. I'm trying to learn. I'm from southern Nevada."

Mr. Marvel said to the folks, "She don't have nothin' to read?" He looked at me and said, "Are you gonna' read all that if I get it to your office?"

I said, "Yes." By the time I got to my office, I had three copy boxes full of paper of everything I wanted to know about the state and the rules, and he came by to say, "Is that enough information? Because I can get more." I still have some of that. I think that it is important that we remember folks in this building and their contributions to the state for the historical part of the state. I want to thank the family for allowing us to be part of this today.

Resolution adopted unanimously.

Madam Speaker announced if there were no objections, the Assembly would recess in order to hear a special tribute for former Assemblyman John Marvel.

Assembly in recess at 11:42 a.m.

#### REMARKS FROM THE FLOOR

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

Motion carried.

#### FORMER SPEAKER RICHARD PERKINS:

Thank you for this privilege that I honestly thought I would never have the opportunity to experience again. Unfortunately, it is on the occasion of the loss of a great Nevadan.

There are many stories I could tell about John—some I will not tell in this company, as you might imagine. I remember as a freshman walking into these chambers—I sat in the back—and John, as many have already described, would greet you as if you were family. We got to talking and he asked me how old I was, and his quip was, "You know, I've got boots older than you." And that was just kind of how John would break the ice.

John Marvel was one of the most knowledgeable, most hardworking, dedicated legislators that I had ever served with. His dedication to this body was only surpassed by his dedication to his family, and mostly to his wife.

He was a very courageous legislator. Some agreed with him, some disagreed with him in 2003 on July 22, when we finished our second special session. The issues, many of you will remember, had to do with the budget and whether or not there would be a tax increase that session, not unlike many of the debates you have had since. And John was that Nevadan who stepped up to end our impasse and let the budget move forward.

He truly respected this institution—respected it more than I can express to you. He represented his district faithfully, and he had such a great wit about rural life and how our effects in this body would affect those folks in rural Nevada. He had an unsurpassed knowledge of our budget. He was quite a promoter of the Prison Industries section of the budget. He wanted to make sure we were getting the best bang for our buck in our correctional system and that Nevadans would benefit if we had to pay for the cost of incarcerating people that we would benefit from their labor.

Madam Speaker, I do also recall serving many hours, long hours, in the Ways and Means Committee room and having to excuse myself to use the men's room. It was right there, attached to that, and you always knew when John was there because you could smell the clove cigarettes coming from one of the stalls—too polite to ask if he was there—but you did not have to ask.

I truly learned a lot about service in this body from John Marvel. John instilled in me an understanding that my service here was not about being a Republican or Democrat, not being from the north or south, it was about being a Nevadan. More importantly, I can tell you that John was my friend. It was a true honor to serve here with John Marvel.

#### FORMER ASSEMBLYMAN LYNN HETTRICK:

I appreciate the opportunity to speak on the floor again. It is a privilege to be back in this house. Much has been said already about John Marvel, and I do not want to duplicate what has been said—truly a fine human being, a great guy, always had a smile, always had a quip. I chuckled when a comment was made by the Majority Leader. John would kind of mumble when he talked, and it could be hard to understand him. He would get rattling on about what he was doing—you always knew exactly what he was talking about—he was always right. If you sat next to him in committee or anywhere on the floor, it was hard not to laugh out loud, because John always had a comment to make under his breath, and occasionally some of those came back to haunt him. Many of the people in this body will remember a time when the microphones were turned on in the committee rooms, and John one time made a statement that I think was misunderstood. But it did not matter whether it was or not. It went out over the air and was heard by anyone who was listening to that committee hearing. It created a firestorm of controversy, but it was just absolutely John Marvel. It has been said already—he was a great

guy. He was fun to serve with; he really was knowledgeable. Nobody cared more for his wife. Willie has been less than healthy for many, many years. He was totally devoted to Willie. It was a privilege to serve with him.

#### FORMER ASSEMBLYMAN MORSE ARBERRY, JR:

This is an honor to be able to talk about my friend. I will try to put a different spin on it. I had an opportunity—I guess I was the longest serving with John. I never called him John: I called him Mr. Marvel. As long as I have known him over the years—the twenty-some years that we have served together—as everyone has stated, he has always been a statesman. Well, when John first got ill, he was no longer in this body—we were having Interim Finance and someone came over, I think it was Mark Stevens that told me that John was in the hospital. I adjourned the meeting very early so I could go over and see my friend. I went over to the hospital and the lady said, "He is in intensive care. You have to be immediate family to get in to see John." I said, "Can't you look at me and tell I'm his brother?" They let me in. I went to see John, and he had this air thing in his mouth and everything, but I was so glad that he was doing well.

When you mentioned the smoking room, I called it John's smoking room because you might not even realize it, but there used to be smoking in this building. When I was a freshman and a sophomore, the chairman of Ways and Means was Marvin Sedway. He smoked like a chimney, John smoked like a chimney, and I had to sit between John and Sedway in the Committee on Ways and Means. You have no idea, when they banned smoking in the building, these guys did not take that very well. They were the worst. So that is why, when they mention about the clove-smelling cigarettes, John would be in his smoking room, in the bathroom, and he would let me know

I need to say to you that John, out of all the years, when, as a chair—some of you know that as a chair your staff comes in and says to you, "Where do you want everyone to sit?"—all those years John sat right next to me. There was a reason for that, and the reason I did that was I needed a Republican view, because I knew that if something was not going to pass, John had his fingers on the pulse. I would lean over and we would just sit and talk sometimes during the hearing, and I would say, "John, is that going to pass the Republicans?" "No." If it was going to pass, he would let me know.

Sometimes, as they mentioned, he would mumble along. When we first went live on the mics, as Lynn mentioned, I told John that morning—I said, "John, the mics are going to be live, today. People are going to hear us on their computers, so you really, really, really got to be careful of what you are going to say today." As soon as I banged that gavel, John said, "#!&#!!" Here comes the press. We had a wonderful week, but I loved him. I would never have traded him. He was a wonderful gentleman.

One day we were having a committee hearing and it went a little long. Willie steps into the back of the committee hearing room, and John did not see her. All of a sudden I hear from the back of the room, "Hey" and I turned around and said, "Hey" back. She was trying to get John's attention. That is the kind of family we were, and we served together in a dual process. It was an honor serving with Mr. Marvel, because we made Ways and Means work as a Democrat and a Republican. To the family, you had a great, great man, because he really loved this process.

### FORMER ASSEMBLYMAN DAVID GOLDWATER:

I certainly share former Speaker Perkins' sentiment about the privilege of being able to speak on the floor today of former Assemblyman Marvel, or as one snot-nosed, irreverent, disrespectful kid-member of this body used to call him: Marvelous. Marvelous was not only a friend to most, he was a good friend to almost everybody he met. We are all different communicators, and we have spoken about John's communication methods, but you knew what he was saying even though he did not articulate the way some people articulate. That same snot-nosed, irreverent kid also did, what I consider, a spot on, fantastic John Marvel impression. That

impression was something where people would laugh, but nobody laughed harder than John Marvel when that kid would do that impression.

Professor Pavlov also had a theory, and I think that theory works real well. To this day, when you smell the smoke of clove, rather than getting all caught up in the smell of it, you kind of smile; I always did in this building. I think in this building it is still hanging around, and it still brings a smile to my face.

John Marvel was the gold standard of how to represent your district. I think if anybody learned anything in this building on how to represent the area to which you were elected, the gold standard is and will continue to be John Marvel. He also was a gold standard of how to treat a woman, your wife. For me—to watch how a couple married that long, how a man looks after them—it was something I had never seen before, it was something I was extremely impressed with, and it was something I will take in for the rest of my life. He was a gentleman; he was a cowboy; he was a statesman. It was an honor to have known him, and he will always be part of the fabric of Nevada.

## ASSEMBLY IN SESSION

At 11:55 a.m.

Madam Speaker presiding.

Quorum present.

#### MOTIONS. RESOLUTIONS AND NOTICES

Assemblyman Grady moved that all rules be suspended and that Assembly Concurrent Resolution No. 5 be immediately transmitted to the Senate.

Motion carried unanimously.

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

Assembly in recess at 11:56 a.m.

## ASSEMBLY IN SESSION

At 12:06 p.m.

Madam Speaker presiding.

Quorum present.

Assemblyman Horne moved that Assembly Bills Nos. 9, 58, 168, 209, 218, 226, 244, 283, 293, 306, 327, 336, 345, 403, and 414, just reported out of committee, be placed on the Second Reading File.

Motion carried.

#### SECOND READING AND AMENDMENT

Assembly Bill No. 9.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 178.

AN ACT relating to the City of Reno; making various changes to the provisions of the Charter of the City of Reno relating to the Mayor, Assistant Mayor, City Council, City Manager and Civil Service Commission; providing for the creation and duties of a Charter Committee; authorizing the City Council to establish additional appointive positions for officers and employees of the City; repealing certain provisions relating to employment in the Civil Service System and authorizing the Civil Service Commission to provide for such matters by rule; making various other changes to the Charter; and providing other matters properly relating thereto. Legislative Counsel's Digest:

This bill amends various provisions of the Charter of the City of Reno. Sections 1 and 2 of this bill adopt certain definitions and rules of construction applicable to the Charter as a whole. Section 1.5 of this bill provides for the creation, membership and duties of a Charter Committee to make recommendations to the City Council regarding amendments to the Charter. Section 6 of this bill expands the prohibition against holding other employment or another office, which is applicable to the Mayor or a Council Member. [Section 7 of this bill revises the procedure by which the City Council may establish additional appointive positions. outside the City's Civil Service System, for officers and employees of the City.] Section 9 of this bill provides that certain provisions applicable to appointive officers also apply to appointive employees of the City. Section 15 of this bill authorizes the Mayor and any Council Member to waive the payment of any part of the salary or benefits otherwise payable to him or her and establishes the requirements for such a waiver. Section 27 of this bill prohibits the Mayor and Council Members from giving orders to any subordinate of the City Manager, or otherwise dealing directly with such a person.

The existing provisions of the Charter permit the City Council to establish additional departments in the Municipal Court and thereby increase the number of Municipal Judges. (Reno City Charter § 4.010) Section 28 of this bill [authorizes] prohibits the Council [to reduce the number of departments and] from reducing the term of office of any Municipal [Judges.] Judge.

Sections 31 and 32 of this bill revise provisions relating to the general city election to clarify that the election is to occur concurrently with the statewide general election. Section 34 of this bill establishes a procedure for determining a tie vote in any city election.

Under existing law, various provisions governing the examination, appointment and transfer of employees in the Civil Service System are codified in the Charter. (Reno City Charter §§ 9.090, 9.190-9.250) **Section** 47 of this bill repeals those provisions, and **section** 43 of this bill provides

that such matters are to be governed by the rules of the City's Civil Service Commission. **Section 44** of this bill expands the list of characteristics that may not affect appointment to or removal from a position in the Civil Service.

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

- **Section 1.** The Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1962, is hereby amended by adding thereto new sections to be designated as sections 1.011, 1.012, 1.013, 1.014, 1.015, [1.016,] 1.017, 1.018 and 1.019, respectively, immediately following section 1.010, to read as follows:
  - Sec. 1.011 Definitions. As used in this Charter, unless the context otherwise requires, the words and terms defined in sections 1.012 to 1.018, inclusive, have the meanings ascribed to them in those sections.
  - Sec. 1.012 "City" defined. "City" means the City of Reno in Washoe County, Nevada.
  - Sec. 1.013 "City Council" or "Council" defined. "City Council" or "Council" means the governing body of the City.
  - Sec. 1.014 "Civil Service" or "Civil Service System" defined. "Civil Service" or "Civil Service System" means the system created by section 9.020.
  - Sec. 1.015 "Commission" defined. "Commission" means the Civil Service Commission created by section 9.030.

# [ Sec. 1.016 "Council Member" defined. "Council Member" means a member of the City Council, other than the Mayor.]

- Sec. 1.017 "County" defined. "County" means Washoe County, Nevada.
  - Sec. 1.018 "State" defined. "State" means the State of Nevada. Sec. 1.019 Construction of Charter.
- 1. Except where the context by clear implication otherwise requires, this Charter must be construed as follows:
- (a) The titles or leadlines which are applied to the articles and sections of this Charter are inserted only as a matter of convenience and ease in reference and are not intended to limit the scope or intent of any provision of this Charter.
- (b) Words in the singular number include the plural, and words in the plural include the singular number.
- (c) Words in the masculine gender include the feminine, and words in the neuter gender refer to any gender.

- 2. This Charter being necessary to secure and preserve the public health, safety, prosperity, security, comfort, convenience, general welfare and property of the residents of the City, [the rule of strict construction has no application to this Charter, and] it is expressly declared that it is the intent of the Legislature that each of the provisions of this Charter be liberally construed to effect the purposes and objects for which this Charter is intended, and the specific mention of particular powers must not be construed as limiting in any way the general powers which are necessary to carry out the purposes and objects of this Charter.
- Sec. 1.5. The Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1962, is hereby amended by adding thereto new sections to be designated as sections 1.140, 1.150 and 1.160, respectively, immediately following section 1.130, to read as follows:
  - Sec. 1.140 Charter Committee: Appointment; terms; qualifications; vacancies; compensation.
  - 1. The Charter Committee must be appointed as follows:
  - (a) Each Council Member shall appoint one member;
  - (b) The Mayor shall appoint one member;
  - (c) The members of the Senate delegation representing the residents of the City and belonging to the majority party of the Senate shall appoint two members;
  - (d) The members of the Senate delegation representing the residents of the City and belonging to the minority party of the Senate shall appoint one member:
  - (e) The members of the Assembly delegation representing the residents of the City and belonging to the majority party of the Assembly shall appoint two members; and
  - (f) The members of the Assembly delegation representing the residents of the City and belonging to the minority party of the Assembly shall appoint one member.
  - 2. Each member of the Charter Committee:
  - (a) If appointed by a Council Member or the Mayor, serves during the term of the person by whom he or she was appointed;
  - (b) If appointed by members of the Senate delegation, serves a term of 4 years;
  - (c) If appointed by members of the Assembly delegation, serves a term of 2 years;
  - (d) Must be a registered voter in the City; and
  - (e) Must reside in the City during his or her term of office.

- 3. If a vacancy occurs on the Charter Committee, the vacancy must be filled in the same manner as the original appointment for the remainder of the unexpired term.
- 4. Members of the Charter Committee are entitled to receive compensation, in an amount set by ordinance of the City Council, for each full meeting of the Charter Committee they attend.
- Sec. 1.150 Charter Committee: Officers; meetings; duties. The Charter Committee shall:
- 1. Elect a Chair and Vice Chair from among its members, who each serve for a term of 2 years;
- 2. Meet at least once every 2 years before the beginning of each regular session of the Legislature and when requested by the City Council or the Chair of the Charter Committee;
- 3. Meet jointly with the City Council on a date to be set after the final biennial meeting of the Charter Committee is conducted pursuant to subsection 2 and before the beginning of the next regular session of the Legislature to advise the City Council with regard to the recommendations of the Charter Committee concerning necessary amendments to this Charter;
- 4. If the City Council elects to submit the Charter Committee's recommended amendments to the Legislature as one of the City's bill draft requests, assist the City Council in the timely preparation of such amendments for presentation to the Legislature on behalf of the City;
- 5. If the City Council elects not to submit the Charter Committee's recommended amendments to the Legislature as one of the City's bill draft requests, seek sponsorship of a legislative measure by a member of the Senate or Assembly delegation representing the residents of the City and assist such member in the timely preparation of such amendments for presentation to the Legislature; and
- 6. Perform all functions and do all things necessary to accomplish the purposes for which it is established, including, but not limited to, holding meetings and public hearings, and obtaining assistance from City officers.
- Sec. 1.160 Charter Committee: Removal of member; grounds. Any member of the Charter Committee may be removed by a majority of the remaining members of the Charter Committee for cause, including failure or refusal to perform the duties of the office, absence from three successive regular meetings or ceasing to meet any qualification for appointment to the Charter Committee.
- **Sec. 2.** Section 1.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1962, is hereby amended to read as follows:

## Section 1.010 [Preamble: Legislative intent.] Purpose; other laws.

- 1. In order to provide for the orderly government of the City of Reno and the general welfare of its citizens the Legislature hereby establishes this Charter for the government of the City of Reno. [It is expressly declared as the intent of the Legislature that all provisions of this Charter be liberally construed to carry out the express purposes of the Charter and that the specific mention of particular powers shall not be construed as limiting in any way the general powers necessary to carry out the purposes of the Charter.]
- 2. Any powers expressly granted by this Charter are in addition to any powers granted to a city by the general law of this state. All provisions of Nevada Revised Statutes which are applicable generally to cities (not including, unless otherwise expressly mentioned in this Charter, chapter 265, 266 or 267 of NRS) which are not in conflict with the provisions of this Charter apply to the City of Reno.
- **Sec. 3.** Section 1.020 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1962, is hereby amended to read as follows:
  - Sec. 1.020 Incorporation of City.
  - [1.] All persons who are inhabitants of that portion of the State [of Nevada] embraced within the limits set forth in section 1.030 shall constitute a political and corporate body by the name of "City of Reno" and by that name they and their successors shall be known in law, have perpetual succession and may sue and be sued in all courts.
  - [2. Whenever used throughout this charter, "City" means the City of Reno.]
- **Sec. 4.** Section 1.030 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 482, Statutes of Nevada 1973, at page 714, is hereby amended to read as follows:

Sec. 1.030 Description of territory.

- 1. The territory embraced in the City is that certain land described in the official plat required by NRS 234.250 to be filed with the County Recorder and County Assessor, [of Washoe County,] as such plat is amended from time to time.
- 2. The territory described in paragraph (a) of subsection 2 of section 1 of article I of chapter 180, Statutes of Nevada 1949, lying within the City [of Reno] is hereby detached from the City [of Reno] and is included within the boundaries of the City of Sparks.
- **Sec. 5.** Section 1.070 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 515, Statutes of Nevada 1997, at page 2452, is hereby amended to read as follows:

Sec. 1.070 Elective offices: Vacancies. Except as otherwise provided in NRS 268.325:

- 1. Except as otherwise provided in this section, a vacancy in the City Council or in the office of City Attorney or Municipal Judge must be filled by a majority vote of the members of the City Council within 30 days after the occurrence of the vacancy. A person may be selected to fill a prospective vacancy in the City Council before the vacancy occurs. In [such a case,] filling a prospective vacancy, each member of the Council, except any member whose term of office expires before the occurrence of the vacancy, may participate in any action taken by the Council pursuant to this section. The appointee must have the same qualifications as are required of the elective official.
- 2. The appointee shall serve until the next general municipal election and until his or her successor is elected and qualified. Notwithstanding the provisions of section 5.010 of this Charter to the contrary, the office must be filled by election at the next general municipal election. If that election is other than the election specified in section 5.010 of this Charter for the filing of the office, the election is only for the balance of the unexpired term for that office.
- 3. If a vacancy occurs in an office of City Council, in lieu of appointment, the City Council may, by resolution, declare a special election to fill the vacancy. The special election must be conducted in accordance with the provisions of the resolution declaring the special election and section 5.030 of this Charter.
- **Sec. 6.** Section 1.080 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 327, Statutes of Nevada 1999, at page 1366, is hereby amended to read as follows:
  - Sec. 1.080 Mayor and Council Members not to hold other office or employment.
    - 1. The Mayor and Council Members shall not:
  - (a) Hold any other elective *or appointive* office, [or employment with Washoe County or the City,] except as provided by law or as a member of a board or commission which is ancillary to the office of Mayor or Council Member and for which no compensation is received.
  - (b) Hold any other employment with the County, the City or any other political subdivision of the State which is governed or advised by a board or commission to which the Mayor or Council Member may be appointed in the course of his or her duties as Mayor or Council Member.
  - (c) Be appointed to any office or position created by or the compensation for which was increased or fixed by the City Council until

- 1 year after the expiration of the term for which [such person] the Mayor or Council Member was elected.
- 2. Any person who violates the provisions of subsection 1 shall automatically forfeit his or her office.
- Sec. 7. [Section 1.090 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 210, Statutes of Nevada 1997, at page 734, is hereby amended to read as follows:
  - Sec. 1.090 Appointive [officers.] offices and positions.
  - 1. The City Council shall provide for the appointment of a City Manager to perform the duties outlined in section 3.020. A vacancy in the office of City Manager must be filled within 6 months.
  - 2. Applicants for the position of City Manager need not be residents of the City or State at the time of their appointment, except that applicants who are residents of the City and who have qualifications equal to those of nonresidents must be given preference in filling the position.
  - 3. The City Council shall appoint a City Clerk.
  - 4. The City Council may establish such other appointive offices as it [may deem] deems necessary for the operation of the City by designating the [position] office and the qualifications therefor by [ordinance.] resolution. Appointive offices established pursuant to this subsection are limited to [the head of each department or division except:
  - (a) One immediate assistant for the Director of Public Works.
  - <del>(b)]:</del>
  - -(a) Department heads;
  - (b) Division heads; and
  - -(c) Special technical staff members who report directly to the City Manager.
  - [(c) In the Fire Department and Police Department, no positions below the office of Chief.
  - → Appointment of such officers must be made by the City Manager, and the appointment of the Chief of Police and the Fire Chief must be confirmed by the City Council.
  - 4. A City Clerk must be appointed by the City Council.
  - 5. In addition to clerical and administrative assistants appointed by the City Manager pursuant to subsection 2 of section 3.020, the City Council may establish such other appointive positions as it deems necessary for the operation of the City by designating the position and the qualifications therefor by resolution, except that no such proposed resolution may be adopted until after the Commission has been

provided a reasonable opportunity to comment on the proposed resolution.

- -6. The City Manager shall appoint persons to, and remove persons from, appointive offices established pursuant to subsection 4 or appointive positions established pursuant to subsection 5, except that the appointment of the Chief of Police and the Fire Chief must be confirmed by a majority vote of the members of the City Council to become effective. If an appointment of the Chief of Police or the Fire Chief is not confirmed by the City Council, the City Manager shall continue to name appointees until an appointment is confirmed by the City Council.
- 7. The City Manager may authorize any person holding an appointive office established pursuant to subsection 4 to appoint any subordinate to, or remove any subordinate from, an appointive position.
- 8. As used in this section:
- (a) "Department head" means a person whose primary duty is the management of a city department.
- (b) "Division head" means a person whose primary duty is the management of a division within a city department.
- (e) "Special technical staff member" means an Assistant City Manager or any other staff member whose duties are intellectual, varied in character and require the application of independent judgment, and whose successful performance directly supports the accomplishment of the goals of the City.] (Deleted by amendment.)
- **Sec. 8.** Section 1.100 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 210, Statutes of Nevada 1997, at page 734, is hereby amended to read as follows:
  - Sec. 1.100 Appointive officers [:] and appointive employees: Miscellaneous provisions.
  - 1. All appointive officers [,] and appointive employees, except the City Clerk and his or her deputy, shall perform such duties as [may be] are designated by the City Manager.
  - 2. Any employee of the City holding a Civil Service rating under the City [and] who is appointed to any position provided for in section 1.090 does not lose his or her Civil Service rating while serving in that position.
  - 3. [All appointive officers are entitled to all employment benefits to which Civil Service employees are entitled.
  - -4.] The City Council may require from all other officers and employees of the City constituted or appointed under this Charter,

except the Mayor and Council Members, sufficient security for the faithful and honest performance of their respective duties.

- **Sec. 9.** Section 1.110 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1964, is hereby amended to read as follows:
  - Sec. 1.110 Appointive officers [:] and appointive employees: Duties; salary [.]; benefits.
  - 1. All appointive officers and appointive employees of the City, including those appointed by the City Council, except [the]:
    - (a) The City Manager;
  - (b) The City Clerk and the chief deputy and the Manager of Record Systems appointed by the City Clerk pursuant to section 3.040;
  - (c) Assistants appointed by the City Attorney pursuant to section 3.060; and [the]
  - (d) The members of the City Board of Health and the City Health Officer, if the City administers the operations of the Board of Health,

    ⇒ shall perform [such] their duties under the direction of the City Manager [, as may be] or as designated by the City Council [.] through the City Manager.
  - 2. All appointive officers and appointive employees of the City [shall receive such salary as may be] are entitled to the salary designated by the City Council [.] through the adoption of a resolution establishing the salary ranges applicable to each office and position.
  - 3. All appointive officers and appointive employees are entitled to the employment benefits established by the applicable law of the State and to such other benefits as the City Council provides by resolution.
- Sec. 10. [Section 2.020 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1965, is hereby amended to read as follows:
  - —Sec. 2.020 City Council: Contracts. Council Members : [of the City Council:]
  - 1. May vote on any lease, contract or other agreement which extends beyond their terms of office.
  - 2. Shall not have any interest, directly or indirectly, in any lease, contract or other agreement entered into with the City.] (Deleted by amendment.)
- **Sec. 11.** Section 2.030 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1965, is hereby amended to read as follows:
  - Sec. 2.030 City Council: Discipline of <u>members</u>, *[Council Members*,] other persons; subpoena power.
    - 1. The City Council may:

- (a) Provide for the punishment of *the City Clerk or* any <u>member</u> *[Council Member]* for disorderly conduct committed in its presence.
- (b) Order the attendance of witnesses and the production of all papers relating to any business before the City Council.
- 2. If any person ordered to appear before the City Council fails to obey such *an* order:
- (a) The City Council or any <u>member thereof</u> [Council Member] may apply to the clerk of the district court for a subpoena commanding the attendance of the person before the City Council.
- (b) [Such Clerk] The clerk of the district court may issue the subpoena, and any peace officer may serve it.
- (c) If the person upon whom the subpoena is served fails to obey it, the court may issue an order to show cause why [such] the person should not be held in contempt of court and upon the hearing of the matter may adjudge [such] the person guilty of contempt and punish him or her accordingly.
- **Sec. 12.** Section 2.040 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 255, Statutes of Nevada 2001, at page 1131, is hereby amended to read as follows:

Sec. 2.040 Meetings: Quorum.

- 1. The City Council shall hold not less than two regular meetings each month. The times and dates of [the] regular meetings must be established by [ordinance.] resolution.
- 2. Special meetings of the City Council may be held at the call of the Mayor . For City Manager.
- **3.** Except as otherwise provided in NRS 241.0355, a majority of all the <u>members of the City</u> Council *[Members]* constitutes a quorum to do business, but a lesser number may meet and recess from time to time, and compel the attendance of the absent <u>members</u>.
- <u>[3. Except as otherwise provided by law, all sessions and all proceedings of the City Council must be public.]</u>
- 4. The meetings of the City Council must be conducted in accordance with chapter 241 of NRS.
- Sec. 13. [Section 2.060 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1966, is hereby amended to read as follows:
  - Sec. 2.060 Meetings: Time and place; rules. The City Council may:
  - Fix the time and place of its meetings and judge the qualifications and election of [its own members.] Council Members.
  - 2. Adopt rules for the government of its [members and] proceedings [.] and Council Members.] (Deleted by amendment.)

- **Sec. 14.** Section 2.070 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 553, Statutes of Nevada 1973, at page 878, is hereby amended to read as follows:
  - Sec. 2.070 Oaths and affirmations. The Mayor, [Assistant] *the Vice* Mayor while acting in the place of the Mayor, each Council Member and the City Clerk may administer oaths and affirmations relating to any business pertaining to the City, before the City Council or to be considered by the City Council.
- **Sec. 15.** Section 2.080 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 599, Statutes of Nevada 1993, at page 2499, is hereby amended to read as follows:
  - Sec. 2.080 Powers of City Council: Ordinances, resolutions and orders [.]; waiver of salary and benefits.
  - 1. The City Council may make and pass all ordinances, resolutions and orders not repugnant to the Constitution of the United States or the Constitution of the State of Nevada, or to the provisions of Nevada Revised Statutes or of this Charter, necessary for the municipal government and the management of the affairs of the City, and for the execution of all the powers vested in the City.
  - 2. When power is conferred upon the City Council to do and perform anything  $\{\cdot,\cdot\}$  and the manner of exercising such power is not specifically provided for, the City Council may provide by ordinance the manner and details necessary for the full exercise of such power.
  - 3. The City Council may enforce ordinances by providing penalties not to exceed those established by the Legislature for misdemeanors.
  - 4. The City Council shall have such powers, not in conflict with the express or implied provisions of this Charter, as are conferred generally by statute upon the governing bodies of cities organized under a special charter.
  - 5. Except as otherwise provided in this subsection  $\Box$  and subsection 6, the City Council shall not pass any ordinance or resolution increasing or diminishing the salary of any elective officer during the term for which he or she is elected or appointed. The City Council may pass an ordinance increasing the salary of a Municipal Judge during the term for which he or she is elected or appointed.
  - 6. Except as otherwise prohibited or limited by statute or regulation or as otherwise provided in this subsection, the Mayor and any Council Member may waive the payment of any part of the salary and benefits otherwise payable to him or her during any budget year. Any such waiver must be in writing, does not extend beyond the current term of the Mayor or Council Member and may <u>not</u> be rescinded. [at any time.]

**Sec. 16.** Section 2.090 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 553, Statutes of Nevada 1973, at page 878, is hereby amended to read as follows:

Sec. 2.090 Ordinances: Passage by bill; amendments; subject matter; title requirements.

- 1. No ordinance may be passed except by bill and by a majority vote of the City Council. The style of all ordinances [shall] must be as follows: "The City Council of the City of Reno [do] does ordain:".
- 2. No ordinance [shall] may contain more than one general subject [, which shall] matter and matters which pertain to or are necessarily connected with the general subject matter, and the general subject must be briefly indicated in the title. Where the general subject of the ordinance is not so expressed in the title, the ordinance is void. [as to the matter not expressed in the title.]
- 3. Any ordinance which amends an existing ordinance [shall] must set out in full the ordinance or sections thereof to be amended, and [shall] must indicate matter to be omitted by enclosing it in brackets and [shall indicate] any new matter by underscoring or by italics.
- **Sec. 17.** Section 2.100 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 327, Statutes of Nevada 1999, at page 1366, is hereby amended to read as follows:
  - Sec. 2.100 Ordinances: Enactment procedure; emergency ordinances.
  - 1. All proposed ordinances when first proposed must be [referred to a committee for consideration,] read to the City Council by title, after which an adequate number of copies of the proposed ordinance must be filed with the City Clerk for public distribution. Except as otherwise provided in subsection 3, notice of the filing must be published once in a newspaper qualified pursuant to the provisions of chapter 238 of NRS, and published in the City at least 10 days before the adoption of the ordinance. The City Council shall adopt or reject the ordinance, or an amendment thereto, within 45 days after the date of publication.
  - 2. At the next regular meeting or adjourned *regular* meeting of the City Council held at least 10 days after the date of publication, the [committee shall report the ordinance back to the City Council. Thereafter, it] proposed ordinance must be returned to the City Council for consideration and possible adoption. At that meeting, the title of the proposed ordinance must be read as first proposed or as amended, and thereupon the proposed ordinance must be finally voted upon or action thereon postponed.
  - 3. In cases of emergency or where the ordinance is of a kind specified in section 7.030, by unanimous consent of the City Council,

final action may be taken immediately or at an emergency meeting called for that purpose, and no notice of the filing of the copies of the proposed ordinance with the City Clerk need be published.

- 4. All ordinances must be signed by the Mayor, attested by the City Clerk and published by title, together with the names of the <u>members of the City</u> Council [Members] voting for or against passage, in a newspaper qualified pursuant to the provisions of chapter 238 of NRS, and published in the City for at least one publication, before the ordinance becomes effective. The City Council may, by majority vote, order the publication of the ordinance in full in lieu of publication by title only.
- 5. The City Clerk shall record all ordinances in a book kept for that purpose, together with the affidavits of publication by the publisher.
- **Sec. 18.** Section 2.120 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 561, Statutes of Nevada 1977, at page 1393, is hereby amended to read as follows:
  - Sec. 2.120 Codification of ordinances; publication of Code.
  - 1. The City Council may codify and publish a Code of its municipal ordinances in the form of a Municipal Code, which Code may, at the election of the City Council, have incorporated therein a copy of this Charter and such additional data as the City Council [may prescribe. When such Code is published, two copies shall be filed with] prescribes. Whenever the Code is published or revised, a copy must be provided to the Librarian at the County Public Library in Reno, the County Law Library and the Supreme Court Law Library. The requirements of this subsection are satisfied by the provision of a paper copy, an electronic copy or a copy of the Code in such other format as is requested by a library.
  - 2. The ordinances in the Code [shall] *must* be arranged in appropriate chapters, articles and sections, excluding the titles, enacting clauses, signature of the Mayor, attestations and other formal parts.
  - 3. The codification [shall] must be adopted by an ordinance and [shall] must not contain any substantive changes, modifications or alterations of existing ordinances, and the only title necessary for the ordinance [shall be,] is, "An ordinance for codifying and compiling the general ordinances of the City of Reno."
    - 4. The codification may be amended or extended by ordinance.
- **Sec. 19.** Section 2.140 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 216, Statutes of Nevada 2007, at page 726, is hereby amended to read as follows:
  - Sec. 2.140 General powers of City Council.

- 1. Except as otherwise provided in subsection 2 and section 2.150, the City Council may:
- (a) Acquire, control, improve and dispose of any real or personal property for the use of the City, its residents and visitors.
- (b) Except as otherwise provided in NRS 598D.150 and 640C.100, regulate and impose a license tax for revenue upon all businesses, trades and professions.
  - (c) Provide or grant franchises for public transportation and utilities.
- (d) Appropriate money for advertising and publicity and for the support of a municipal band.
- (e) Enact and enforce any police, fire, traffic, health, sanitary or other measure which does not conflict with the general laws of the State . [of Nevada.] An offense that is made a misdemeanor by the laws of the State [of Nevada] shall [also] be deemed also to be a misdemeanor against the City whenever the offense is committed within the City.
- (f) Fix the rate to be paid for any utility service provided by the City as a public enterprise. Any charges due for services, facilities or commodities furnished by any utility owned by the City is a lien upon the property to which the service is rendered and is perfected by filing with the County Recorder a statement by the City Clerk of the amount due and unpaid and describing the property subject to the lien. Any such lien is:
- (1) Coequal with the latest lien upon the property to secure the payment of general taxes.
- (2) Not subject to extinguishment by the sale of any property on account of the nonpayment of general taxes.
- (3) Prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments and general taxes.
  - 2. The City Council:
  - (a) Shall not sell telecommunication service to the general public.
- (b) May purchase or construct facilities for providing telecommunication that intersect with public rights-of-way if the governing body:
- (1) Conducts a study to evaluate the costs and benefits associated with purchasing or constructing the facilities; and
- (2) Determines from the results of the study that the purchase or construction is in the interest of the general public.
- 3. Any information relating to the study conducted pursuant to subsection 2 must be maintained by the City Clerk and made available for public inspection during the business hours of the Office of the City Clerk.

- 4. Notwithstanding the provisions of paragraph (a) of subsection 2, an airport may sell telecommunication service to the general public.
  - 5. As used in this section:
- (a) "Telecommunication" has the meaning ascribed to it in NRS 704.025.
- (b) "Telecommunication service" has the meaning ascribed to it in NRS 704.028.
- **Sec. 20.** Section 3.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 210, Statutes of Nevada 1997, at page 735, is hereby amended to read as follows:

Sec. 3.010 Mayor: Duties; [Assistant] Vice Mayor.

- 1. The Mayor:
- (a) Shall serve as a <u>member of the City</u> Council *[Member]* and preside over <u>its</u> meetings\_ *[of the City Council.]* 
  - (b) Shall not have any administrative duties.
- (c) Must be recognized as the head of the City Government for all ceremonial purposes.
- (d) Shall determine the order of business at meetings pursuant to the rules of the City Council.
  - (e) Is entitled to vote and shall vote last on all roll call votes.
- (f) Shall take all proper measures for the preservation of the public peace and order and for the suppression of riots and all forms of public disturbance, for which he or she is authorized to appoint extra police officers temporarily and without regard to Civil Service rules and regulations, and to call upon the *County* Sheriff [of Washoe County,] or, if that force is inadequate, to call upon the Governor for assistance.
- (g) Shall perform such other duties, except administrative duties, as **[may be]** *are* prescribed by ordinance or by the provisions of Nevada Revised Statutes which apply to a mayor of a city organized pursuant to the provisions of a special charter.
- 2. At the first regular City Council meeting in November of each year [-] or whenever a vacancy occurs in the office of Vice Mayor, the City Council shall elect one of the Council Members to be [Assistant] Vice Mayor. That person:
- (a) Holds that office and title, without additional compensation, for a term of 1 year or until removed after a hearing for cause by a vote of six-sevenths of the City Council [-] or the office otherwise becomes vacant.
- (b) Shall perform the duties of Mayor during the absence or disability of the Mayor.
- (c) Shall act as Mayor if the office of Mayor becomes vacant until the vacancy is filled pursuant to section 1.070 of this Charter.

**Sec. 21.** Section 3.020 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 210, Statutes of Nevada 1997, at page 735, is hereby amended to read as follows:

Sec. 3.020 City Manager: Duties; compensation.

- 1. The City Manager is the Chief Executive and Administrative Officer of the City Government. He or she is responsible to the City Council for the proper administration of all affairs of the City. The duties and salary of the City Manager must be fixed by the City Council and he or she is entitled to be reimbursed for all expenses incurred in the performance of his or her duties.
- 2. The City Manager may appoint such clerical and administrative assistants as he or she [may deem] deems necessary.
- 3. [He or she] *The City Manager* may designate an acting City Manager to serve in his or her absence or, if he or she fails to do so, the City Council may appoint an acting City Manager.
- 4. No *member of the City* Council <del>[Member]</del> may be appointed as City Manager during the term for which he or she was elected, or for 1 year thereafter.
- 5. The City Manager shall appoint all officers and employees of the City and may remove any officer or employee of the City except as otherwise provided in this Charter. The City Manager may authorize the head of a department or office to appoint or remove his or her subordinates. The appointment of a Chief of Police or a Fire Chief by the City Manager does not take effect until it has been confirmed by a majority vote of the members of the City Council. If a person so nominated is not confirmed, the City Manager shall continue to submit nominations until a nominee is confirmed.
- Sec. 22. [Section 3.030 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 210, Statutes of Nevada 1997, at page 736, is hereby amended to read as follows:
  - Sec. 3.030 City Manager: Removal.
  - 1. The City Council may remove the City Manager from office in accordance with the procedure contained in this section.
  - 2. The City Council shall adopt by affirmative vote of a majority of all [its members] Council Members a preliminary resolution which must state the reasons for removal and may suspend the City Manager from duty for a period not to exceed 15 days. A copy of the resolution must be delivered promptly to the City Manager.
  - 3. Within 5 days after a copy of the resolution is delivered to the City Manager, he or she may file with the City Council a written request for a public hearing. The public hearing must be held at a City Council meeting not earlier than 15 days nor later than 30 days after the request

is filed. The City Manager may file with the City Council a written reply not later than 5 days before the hearing.

- 4. The City Council may adopt a final resolution of removal, which may be made effective immediately, by affirmative vote of a majority of all [its members,] *Council Members*, at any time after 5 days from the date when a copy of the preliminary resolution was delivered to the City Manager if he or she has not requested a public hearing or at any time after the public hearing if he or she has requested one.
- 5. The City Manager is entitled to receive his or her salary until the effective date of the final resolution of removal.] (Deleted by amendment.)
- **Sec. 23.** Section 3.040 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 210, Statutes of Nevada 1997, at page 737, is hereby amended to read as follows:

Sec. 3.040 City Clerk: Duties.

- 1. The City Clerk shall:
- (a) Keep the corporate seal and all books and papers belonging to the City.
- (b) Attend all meetings of the City Council and keep an accurate journal of its proceedings, including a record of all ordinances, bylaws and resolutions passed or adopted by it. After approval at each meeting of the City Council, the City Clerk shall attest the journal after it has been signed by the Mayor.
  - (c) Sign all warrants for payment issued.
- (d) Number and sign all *business* licenses issued by the City. All *business* licenses must be in a form devised by the City Clerk and approved by the City Council.
- (e) Enter upon the journal the result of the vote of the City Council upon the passage of ordinances, or of any resolution appropriating money, abolishing licenses, or increasing or decreasing the rates of licenses.
- (f) Be the official collector of all business license fees and penalties of the City, and all money making up the City revenues, except general taxes and special assessments, must be paid over to him or her.
- 2. The City Clerk has custody of all the official records of the City. He or she is responsible to the City Council for the proper discharge of his or her duties. The duties and salary of the City Clerk are fixed by the City Council, and he or she is entitled to be reimbursed for all expenses incurred in the performance of his or her duties.
- 3. The City Clerk may, with approval of the City Council, appoint one chief deputy and one Manager of Record Systems, who are not

subject to the provisions of article IX of this Charter. The City Clerk may designate a member of his or her staff as acting City Clerk to:

- (a) Administer oaths; and
- (b) Perform all the duties of the City Clerk in his or her absence.
- **Sec. 24.** Section 3.060 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 327, Statutes of Nevada 1999, at page 1369, is hereby amended to read as follows:

Sec. 3.060 City Attorney: Qualifications; duties; salary.

- 1. The City Attorney must be a duly licensed member of the State Bar of Nevada and a qualified elector within the City. Once elected, he or she shall hold office for a term of 4 years and until his or her successor is duly elected and qualified.
  - 2. The City Attorney is the Legal Officer of the City and shall:
  - (a) Perform such duties as [may be] are designated by ordinance;
  - (b) Be present at all meetings of the City Council;
  - (c) Be counsel for the [Civil Service] Commission;
  - (d) Devote his or her full time to the duties of the office; and
  - (e) Not engage in the private practice of law.
- 3. The City Attorney is entitled to receive a salary as fixed by resolution of the City Council.
- 4. The City Attorney may appoint and remove such assistants as he or she [may require] requires in the discharge of the duties of his or her office. Such assistants must not be Civil Service employees. The Council may appropriate such an amount of money as it [may deem] deems proper to compensate such assistants. Such assistants who are attorneys and are employed for more than 20 hours per week by the City Attorney shall not engage in the private practice of law.
- **Sec. 25.** Section 3.080 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1975, is hereby amended to read as follows:

Sec. 3.080 County Assessor to be ex officio City Assessor; duties.

- 1. The County Assessor of [Washoe] *the* County shall be ex officio City Assessor of the City. The County Assessor shall perform such duties for the City without additional compensation.
- 2. Upon request of the ex officio City Assessor, the City Council may appoint and set the salary of a Deputy City Assessor to perform such duties relative to city assessments as may be deemed necessary.
- **Sec. 26.** Section 3.090 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 414, Statutes of Nevada 1975, at page 607, is hereby amended to read as follows:
  - Sec. 3.090 County Treasurer to be ex officio City Treasurer; duties.

- 1. The Treasurer of [Washoe] *the* County shall be ex officio City Treasurer and Tax Receiver of the City. The County Treasurer shall perform such duties for the City without additional compensation.
- 2. The City Treasurer shall, with the consent of the City Council, appoint the City Clerk or other city officer as Deputy City Treasurer to perform such duties as may be designated by the City Council.
- 3. The City shall compensate [Washoe] the County annually in an amount agreed upon by the City Council and the Board of County Commissioners of [Washoe] the County for the services rendered by the Treasurer of [Washoe] the County under this section.
- **Sec. 27.** Section 3.140 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 210, Statutes of Nevada 1997, at page 737, is hereby amended to read as follows:
  - Sec. 3.140 Interference *and direction* by City Council.
  - 1. The Mayor or Council Members shall not dictate the appointment, suspension or removal of any City administrative officer or employee appointed by the City Manager or his or her subordinates. No person covered by the rules and regulations of the [Civil Service] Commission may be appointed, suspended or removed except as provided in those rules and regulations.
  - 2. Any action directed by the City Council in a public meeting shall be deemed to be direction to the City Manager and not to any subordinate of the City Manager. The City Council or its members factorial Member! shall not fdeal!:
  - (a) **Deal** directly with a City official or employee on a matter pertaining to City business, **except for the purpose of inquiry**, but shall deal through the City Manager  $\{-1\}$ ; or
  - (b) Give any order, publicly or privately, to any subordinate of the City Manager.
  - [ 3. If the Mayor or any Council Member intentionally violates any provision of this section or votes in favor of the adoption of a resolution that violates this section, he or she is subject to removal from office in accordance with section 3.150 or chapter 283 of NRS, as applicable.]
- **Sec. 28.** Section 4.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 9, Statutes of Nevada 1993, at page 21, is hereby amended to read as follows:

Sec. 4.010 Municipal Court.

1. The Municipal Court must include one department and may include additional departments in the discretion of the City Council. If the City Council determines to create additional departments . it #

— (a) It] shall do so by resolution and may appoint additional Municipal Judges to serve until the next election.

[ (b) Subject to the limitations of subsection 2, it may thereafter reduce the number of departments.]

- 2. The City Council may not reduce the term of office of any appointed or elected Municipal Judge.
- **Sec. 29.** Section 4.020 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 327, Statutes of Nevada 1999, at page 1369, is hereby amended to read as follows:

Sec. 4.020 Municipal Court: Qualifications of Municipal Judge; salary.

- 1. A Municipal Judge must be:
- (a) An attorney licensed to practice law in the State . [of Nevada.]
- (b) A qualified elector within the City.
- 2. A Municipal Judge shall not engage in the private practice of law.
- 3. The salary of a Municipal Judge must be:
- (a) Fixed by resolution of the City Council.
- (b) Uniform for all judges in the Municipal Court.
- **Sec. 30.** Section 4.040 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 208, Statutes of Nevada 1985, at page 676, is hereby amended to read as follows:
  - Sec. 4.040 Procedure, additional judges. The practice and proceedings in the Court must conform as nearly as practicable to that of justices' courts in similar cases. Upon the written request of the City Manager an additional temporary Municipal Judge may be provided for so long as the City Council authorizes additional compensation for such a Judge. [Whenever a person is sentenced to pay a fine, the Court may adjudge and enter upon the docket a supplemental order that the offender may, if he or she desires, work on the streets or public works of the City at the rate of \$25 for each day. The money so earned must be applied against the fine until it is satisfied.]
- **Sec. 31.** Section 5.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 87, Statutes of Nevada 2001, at page 557, is hereby amended to read as follows:

Sec. 5.010 General elections.

1. [On the Tuesday after the first Monday in November 1998, and at each successive interval of 4 years, there must be elected by the qualified voters of the City, at the general election, a Mayor, Council Members from the second and fourth wards, a Municipal Judge and a City Attorney, all of whom hold office for a term of 4 years and until their successors have been elected and qualified pursuant to subsection 3 or 4.

- 2. On the Tuesday after the first Monday in November 2000, and at each successive interval of 4 years, there must be elected by the qualified voters of the City, at the general election, Council Members from the first, third and fifth wards, one Council Member at large and two Municipal Judges, all of whom hold office for a term of 4 years and until their successors have been elected and qualified pursuant to subsection 5 or 6.
- —3.] On the [Tuesday after the first Monday] date fixed by the election laws of the State for the statewide general election in November 2002, and at each successive interval of 6 years, there must be elected by the qualified voters of the City, at the general election, a Municipal Judge, who holds office for a term of 6 years and until his or her successor has been elected and qualified.
- [4.] 2. On the [Tuesday after the first Monday] date fixed by the election laws of the State for the statewide general election in November 2002, and at each successive interval of 4 years, there must be elected by the qualified voters of the City, at the general election, a Mayor, Council Members from the second and fourth wards, and a City Attorney, all of whom hold office for a term of 4 years and until their successors have been elected and qualified.
- [5.] 3. On the [Tuesday after the first Monday] date fixed by the election laws of the State for the statewide general election in November 2004, and at each successive interval of 6 years, there must be elected by the qualified voters of the City, at the general election, [three] one or more Municipal Judges, other than the Municipal Judge referred to in subsection 1, all of whom hold office for a term of 6 years and until their successors have been elected and qualified.
- [6.] 4. On the [Tuesday after the first Monday] date fixed by the election laws of the State for the statewide general election in November 2004, and at each successive interval of 4 years, there must be elected by the qualified voters of the City, at the general election, Council Members from the first, third and fifth wards and one Council Member at large, all of whom hold office for a term of 4 years and until their successors have been elected and qualified.
- **Sec. 32.** Section 5.020 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 376, Statutes of Nevada 2005, at page 1438, is hereby amended to read as follows:
  - Sec. 5.020 Primary elections; declaration of candidacy.
  - 1. A candidate for any office to be voted for at an election must file a declaration of candidacy with the City Clerk. All filing fees collected by the City Clerk must be deposited to the credit of the General Fund of the City.

- 2. If for any general election, there are three or more candidates for any office to be filled at that election, a primary election for any such office must be held on the date fixed by the election laws of [this] the State for statewide elections, at which time there must be nominated candidates for the office to be voted for at the next general election. If for any general election there are two or fewer candidates for any office to be filled at that election, their names must not be placed on the ballot for the primary election but must be placed on the ballot for the general election. The general election must be held on the date fixed by the election laws of the State for the statewide general election.
  - 3. In the primary election:
- (a) The names of the two candidates for Municipal Judge, City Attorney or a particular City Council seat, as the case may be, who receive the highest number of votes must be placed on the ballot for the general election.
- (b) Candidates for Council Member who represent a specific ward must be voted upon only by the registered voters of that ward.
- (c) Candidates for Mayor and Council Member at large must be voted upon by all registered voters of the City.
- 4. The Mayor and all Council Members must be voted upon by all registered voters of the City at the general election.
- **Sec. 33.** Section 5.070 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 470, Statutes of Nevada 2005, at page 2304, is hereby amended to read as follows:
  - Sec. 5.070 Availability of lists of registered voters. If, for any purpose relating to an election or to candidates or issues involved in that election, any organization, group or person requests a list of registered voters of the City, the department, office or agency which has custody of the official register of voters shall, except as otherwise provided in NRS 293.5002 and 293.558, permit the organization, group or person to copy the voters' names and addresses from the official register of voters or furnish such a list upon payment of the cost established by [state] the election [law.] laws of the State.
- **Sec. 34.** Section 5.100 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 9, Statutes of Nevada 1993, at page 24, is hereby amended to read as follows:
  - Sec. 5.100 Election returns; canvass; certificates of election; entry of officers upon duties; tie vote procedure.
  - 1. The election returns from any special, primary or general election must be filed with the City Clerk, who shall immediately place those returns in a safe or vault, and no person may handle, inspect or in any manner interfere with those returns until canvassed by the City Council.

- 2. The City Council and City Manager shall meet within 10 days after any election and canvass the returns and declare the result. The election returns must then be sealed and kept by the City Clerk for 6 months, and no person may have access thereto except on order of a court of competent jurisdiction or by order of the City Council.
- 3. The City Clerk, under his or her hand and official seal, shall issue to each person declared to be elected a certificate of election. The officers elected shall qualify and enter upon the discharge of their respective duties at the first regular City Council meeting following their election.
- 4. If any election results in a tie, the City Council shall summon the candidates who received the tie vote and determine the tie [by lot.] as provided in this subsection. The City Clerk shall provide and open in the presence of the candidates who received the tie vote an unused 52card deck of playing cards, removing any jokers and blank cards. The City Clerk shall shuffle the cards thoroughly and present the shuffled deck to the City Manager, or to the person designated by the City Manager for this purpose . [, who shall cut the deck. Each] One of the candidates who received the tie vote shall then draw one card from the deck, and the City Clerk shall record the suit and number of the card. The card then must be returned to the deck, and the City Clerk shall shuffle the cards thoroughly and present the shuffled deck to the City Manager, or to the person designated by the City Manager for this purpose, and another of the candidates who received the tie vote shall draw one card from the deck. This process must be repeated until each of the candidates who received the tie vote has drawn one card from the deck and the result of each draw has been recorded. The candidate who draws the high card shall be deemed the winner of the election. For the purposes of this subsection, aces are high and twos are low. If the candidates draw cards of otherwise equal value, the card of the higher suit is the high card. Spades are highest, followed in descending order by hearts, clubs and diamonds. The City Clerk shall issue to the winner a certificate of election.
- **Sec. 35.** Section 6.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as last amended by chapter 416, Statutes of Nevada 2001, at page 2106, is hereby amended to read as follows:
  - Sec. 6.010 Local improvement law. Except as otherwise provided in subsection 2 of section 2.140 and section 2.150, the City Council, on behalf of the City and in its name, without any election, may from time to time acquire, improve, equip, operate and maintain, convert to or authorize:
    - 1. Curb and gutter projects;

- 2. Drainage projects;
- 3. Off-street parking projects;
- 4. Overpass projects;
- 5. Park projects;
- 6. Sanitary sewer projects;
- 7. Security walls;
- 8. Sidewalk projects;
- 9. Storm sewer projects;
- 10. Street projects;
- 11. Underground electric and communication facilities;
- 12. Underpass projects; [and]
- 13. Water projects [-]; and
- 14. Any other projects authorized by the laws of the State, including, without limitation, chapter 271 of NRS.
- **Sec. 36.** Section 7.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, at page 1980, is hereby amended to read as follows:

Sec. 7.010 Debt limit.

- 1. The City shall not incur an indebtedness in excess of 15 percent of the total assessed valuation of the taxable property within the boundaries of the City [.], as shown on the tax list or assessment roll in effect as of the date of issuance of the municipal securities constituting the debt.
- 2. In determining any debt limitation under this section, there shall not be counted as indebtedness:
- (a) Warrants or other securities which are payable upon presentation or demand or within 1 year from the date thereof.
- (b) Securities payable from special assessments against benefited property, whether issued pursuant to any general or special law and irrespective of whether such special assessment securities are payable from general ad valorem taxes.
- (c) Securities issued pursuant to any general or special law the principal and interest of which are payable solely from revenues of the City derived from other than general ad valorem taxes.
- **Sec. 37.** Section 7A.040 of the Charter of the City of Reno, being chapter 460, Statutes of Nevada 1979, at page 860, is hereby amended to read as follows:
  - Sec. 7A.040 "Engineer" defined. "Engineer" means the *Director* of *Public Works*, the City Engineer or a firm of engineers employed by the City in connection with any undertaking, any project or the exercise of any power authorized in this article.

**Sec. 38.** Section 8.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 561, Statutes of Nevada 1977, at page 1397, is hereby amended to read as follows:

Sec. 8.010 Municipal taxes.

- 1. The City Council shall annually, at the time prescribed by law for levying taxes for State and County purposes, levy a tax not exceeding 2 percent upon the assessed value of all real and personal property within the City except as otherwise provided in the Local Government Securities Law and the Consolidated Local Improvements Law, as amended from time to time. The taxes so levied [shall] must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State [of Nevada] for collection of State and County taxes. The revenue laws of the State [shall,] are, in every respect not inconsistent with the provisions of this Charter, [be] applicable to the levying, assessing and collecting of the municipal taxes.
- 2. In the matter of the equalization of assessments, the rights of the City and the inhabitants thereof <code>[shall]</code> *must* be protected in the same manner and to the same extent by the action of the County Board of Equalization as are the State and County.
- 3. All forms and blanks used in levying, assessing and collecting the revenues of the State and counties [shall,] must, with such alterations or additions as [may be] are necessary, be used in levying, assessing and collecting the revenues of the City. The City Council shall enact all such ordinances as it [may deem] deems necessary and not inconsistent with this Charter and the laws of the State for the prompt, convenient and economical collecting of the revenue.
- **Sec. 39.** Section 9.010 of the Charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 553, Statutes of Nevada 1973, at page 882, is hereby amended to read as follows:
  - Sec. 9.010 Civil Service: Objectives. The purpose of this article is to provide the City [of Reno] with an efficient workforce, with equity to all persons concerned. To attain this objective:
  - 1. All appointments and promotions to positions in the Civil Service [shall] *must* be made on the sole basis of merit and fitness, without regard to non-job-related considerations.
  - 2. Career and promotional opportunities [shall] *must* be readily available to employees.
  - 3. A high level *of* performance [shall be] *is* required of employees to meet their obligations to the City administration, to the users of City services and to the taxpayers.

**Sec. 40.** Section 9.020 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, as amended by chapter 561, Statutes of Nevada 1977, at page 1398, is hereby amended to read as follows:

Sec. 9.020 Civil Service and exempt positions.

- 1. A Civil Service System is created for the selection, appointment and promotion of all employees *of the City* except:
- (a) A person *elected or* appointed to a position pursuant to this Charter.
- (b) A person who serves as a member of any board, commission, committee or other body created pursuant to the authority of the City.
  - (c) A person employed by the City for less than 18 hours per week.
- $\{(e)\}\$  (d) A person for whose position half or more of the money is provided by a source other than the City.
- [(d)] (e) A person employed as a trainee for a period of time which is not more than that period prescribed for a probationary employee.
- (f) An employee of the Municipal Court who is hired directly by the Court.
- 2. The provisions of this article are not applicable to the selection, appointment, promotion, demotion, transfer, suspension, discipline or dismissal of any person described in subsection 1.
- 3. Any employee whose position was within the provisions of the Civil Service System before [May 15, 1977,] the effective date of this act shall retain all rights and benefits to which he or she would otherwise be entitled under the Civil Service System.
- **Sec. 41.** Section 9.040 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 885, is hereby amended to read as follows:
  - Sec. 9.040 Commission meetings. The Commission shall provide by rule for the holding of not less than one regular meeting per month, for special meetings as needed, for the election of one member as Chair, for the election of one member or appointment of a nonmember as Secretary, for public announcement of the time and place of meetings, and for meetings to be open to the public except as provided for by Commission rule. A special meeting of the Commission may be called by the Chair for the Chief Examiner! of the Commission.
- **Sec. 42.** Section 9.050 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, as amended by chapter 599, Statutes of Nevada 1993, at page 2501, is hereby amended to read as follows:
  - Sec. 9.050 Authority of Commission. Except as otherwise provided in [subsection 3 of section 9.250 of this article,] *this Charter*, the Commission has authority over and is responsible for:

- 1. All phases of the selection, appointment and promotion of employees in the Civil Service;
- 2. The appeal rights of such employees in regard to dismissal, demotion, suspension and disciplinary actions; and
  - 3. The transfer of employees,
- → together with all responsibilities assigned to the Commission by this article.
- **Sec. 43.** Section 9.060 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 885, is hereby amended to read as follows:

Sec. 9.060 Rules.

- 1. [The] Except as otherwise provided in this section, the Commission shall adopt or amend rules for the Civil Service System, consistent with the provisions of this article. [At] The Commission shall give or cause to be given at least 10 days' notice of time and place of a [hearing] public meeting of the Commission on proposed rules [shall be given by posting such the notice and a copy of each proposed rule on the bulletin board of each department and by giving [three copies thereof] a copy of the notice and each proposed rule to the City Council, the City Manager, each department head, and the president or secretary of each employee organization formally recognized by the City. At the meeting, the Commission shall permit a representative of the City Council or the City Manager, or both, to comment on any proposed rule. Any amendment of the rule governing the number of qualified persons certified to the appointing authority on the Civil Service eligibility list is not effective until the amendment is approved by the City Council.
- 2. The rules adopted by the Commission must provide for the following matters relating to the Civil Service System:
- (a) The review and approval by the Commission of minimum qualifications set out in class specifications for positions.
  - (b) Open and promotional recruitment of employees.
- (c) The development and scoring of examinations of candidates for positions.
- (d) The development, maintenance and certification of Civil Service eligibility lists, which must include criteria for the use of selective certification as applicable to a position.
- (e) Procedures for emergency, temporary, provisional and such other types of appointments as the Commission deems desirable to facilitate the business of the City.
- (f) The establishment of probationary periods, procedures for the confirmation of employees into the Civil Service System after

completion of any applicable probationary period, and procedures for the dismissal of probationary employees , including, without limitation, the identification of circumstances in which a probationary employee, including, without limitation, a promoted employee, may not be dismissed by the [heads] head of [departments] a department without right of appeal.

- (g) Procedures for the promotion of employees and any right of promoted employees to return to their previous positions.
  - (h) Procedures for the transfer and layoff of employees.
- (i) Procedures for investigating and hearing appeals relating to the discipline or discharge of employees or alleged violations of the rules of the Commission.
- [ (j) Such other matters as the Commission determines are necessary or appropriate to carry into effect the provisions of this article.]
- 3. A copy of all rules adopted and all changes in them [shall] must be filed in the Office of the City Clerk. The Commission shall cause the rules and all changes in them to be [printed and] distributed as it [shall deem necessary. Copies shall be] deems necessary, except that the Commission shall cause a copy to be made available to all officers and employees of the City [.
- $\frac{-2.1}{2}$  on the City's website or in such other format as the Commission determines is appropriate.
- **4.** The head of each department may adopt [rules] procedures for the governance of his or her department not inconsistent with this article or *the* rules of the Commission adopted thereunder.
- 5. As used in this section, "selective certification" means the certification of a person for inclusion on a Civil Service eligibility list for a position based upon specialized knowledge, skills or abilities of the person, in addition to those required to meet the minimum qualifications for the position, that are required to perform the duties of the position successfully.
- **Sec. 44.** Section 9.160 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 886, is hereby amended to read as follows:

Sec. 9.160 Prohibited acts.

- 1. No [appointments] appointment to or removal from a position in the Civil Service [shall] may be affected in any manner by any [individual's:] person's:
- (a) Race, color, national origin, *age, sex, marital status, sexual orientation, gender identity or expression, disability,* membership or nonmembership in an employee organization, [or] *religion,* religious beliefs or affiliations [-

- (b) Sex, marital status, age, or physical or visual handicap except when the Commission has certified that such fact constitutes a reasonable occupational qualification or disqualification for employment.
- —(e)], or any other characteristic for which such action is prohibited by the law of the State or of the United States, except when based upon a bona fide occupational qualification or otherwise authorized by law.
- (b) Political beliefs or affiliations except if that [individual] person advocates or is a member of any organization that advocates the overthrow of the government of the United States by other than lawful means.
- 2. [No] A person shall **not** practice any deception, fraud or unfair practice with respect to application, examination, employment or any other procedure authorized under this article or Commission rule, or in any information given to the Commission.
- **Sec. 45.** Section 9.270 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, as last amended by chapter 65, Statutes of Nevada 1981, at page 162, is hereby amended to read as follows:

Sec. 9.270 Appeals to the Commission.

- 1. An employee in the Civil Service who has been suspended for a period of more than 3 days or who is the subject of an action by the City Manager to demote or terminate him or her may appeal such action to the Commission by serving the Secretary of the Commission with a written notice of appeal within 10 days after such action. The Commission shall set the time for hearing the appeal not less than 5 nor more than 15 days after the date of service of the notice of appeal.
- 2. The Commission shall adopt a rule for hearing such appeals and making any investigations it deems appropriate. In all appeals to the Commission, the City Attorney shall represent the interest of the City.
- 3. In connection with any hearing or investigation contemplated by this article each member of the Commission may administer oaths, secure by subpoena the attendance of witnesses residing within 50 miles of the City [of Reno] and the production of books and papers relevant to the hearing or investigation, compel witnesses to answer and punish for contempt in the same manner as provided by law for the governing of trials before justices of the peace for failure to answer or produce books and other evidence necessary for the hearing. All witnesses must be under oath. The accused has the right to be heard in person and by attorney in his or her own defense and is entitled to secure the attendance of witnesses at the expense of the City if within the reach of the Commission's subpoena and necessary for his or her defense. Upon a showing of necessity an accused may secure from the Commission an

order requiring the taking of depositions of witnesses who are necessary to his or her defense and not within the reach of a subpoena. The Commission shall determine to what extent the expense of such depositions will be paid for by the City. Hearings on appeal must be reported and may be transcribed if a transcript is necessary for a deliberation of the Commission or for an appeal to the district court. The Commission shall render its decision within 7 days after the date of the hearing.

- 4. The action taken by the City Manager may be affirmed, modified or revoked by the Commission. If the Commission finds that the reason for which the action was taken is insufficient it must modify or revoke the action.
- 5. The Commission shall adopt a rule for the hearing and disposition of appeals concerning procedures or the content of examinations.
- **Sec. 46.** Section 9.280 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, as amended by chapter 97, Statutes of Nevada 1995, at page 115, is hereby amended to read as follows:

Sec. 9.280 Disciplinary authority of Commission; judicial review.

- 1. Verified charges may be filed with the Commission setting forth cause for disciplinary action against any Civil Service employee by any resident of the City. The Commission may conduct investigations and hold such hearings as it deems appropriate to determine the facts. If the Commission finds the charges true it may order the suspension, dismissal or discipline of the employee.
- 2. The Commission on its own initiative may conduct investigations and hearings with respect to violations of this article or rules of the Commission and impose such sanctions as it deems appropriate.
- 3. [Any] Within [30] 180 days after service of the decision, any person who is aggrieved by a final decision of the Commission may petition [for judicial review in the manner provided by chapter 233B of NRS.] the district court in the County for relief in the form of a writ of certiorari, mandamus or prohibition where such relief is otherwise authorized by chapter 34 of NRS or other applicable law.
- **Sec. 47.** Section 7A.030 of the Charter of the City of Reno, being chapter 460, Statutes of Nevada 1979, at page 860, section 9.090 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 885, section 9.190 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 886, section 9.200 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 887, section 9.210 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 887, section 9.220 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 887, section 9.240

of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, at page 887, and section 9.250 of the Charter of the City of Reno, being chapter 553, Statutes of Nevada 1973, as amended by chapter 599, Statutes of Nevada 1993, at page 2502, are hereby repealed.

**Sec. 48.** [1.] The amendatory provisions of this act apply prospectively.

[ 2. The limitation on appointive offices set forth in subsection 4 of section 1.090 of the Charter of the City of Reno, as amended by section 7 of this act, does not apply to any person holding such an appointive office before the effective date of this act.]

**Sec. 49.** This act becomes effective upon passage and approval.

#### LEADLINES OF REPEALED SECTIONS

Sec. 7A.030 "County" defined.

Sec. 9.090 Transfer of employees.

Sec. 9.190 Examinations, general.

Sec. 9.200 Open and promotional examinations.

Sec. 9.210 Assembled and continuous examinations.

Sec. 9.220 Examination scores.

Sec. 9.240 Eligible lists.

Sec. 9.250 Appointments.

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 58.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 518.

#### The Title of Assembly Bill No. 58 is hereby amended as follows:

AN ACT relating to veterans; making the Office of Veterans Services the Department of Veterans Services; creating the Office of Veterans Policy and Coordination in the Office of the Governor; creating the Interagency Council on Veterans Affairs; revising provisions relating to donations for veterans homes; [providing exceptions to provisions governing public works and lease-purchase agreements with respect to certain projects of the Department of Veterans Services;] requiring the Division of State Parks of the State Department of Conservation and Natural Resources to issue annual permits for the free use of state parks and other recreational areas to certain veterans; and providing other matters properly relating thereto.

If this amendment is adopted, the Legislative Counsel Digest will be changed as follows:

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

Under existing law, the Office of Veterans Services has various duties and powers relating to veterans and servicemen and servicewomen and their dependents in Nevada, including assisting them with obtaining benefits to which they are entitled and any services that they require and providing administrative oversight of veterans homes and veterans cemeteries in Nevada. (Chapter 417 of NRS) **Section 14** of this bill changes the Office to the Department of Veterans Services, a state department. Accordingly, the Executive Director and Deputy Executive Director of the Office become the Director and Deputy Director of the Department, respectively. The Nevada Veterans Services Commission will now advise the Department instead of the Office. (NRS 417.190) **Sections 1-7, 13, 15-33, 45 and 48-50** of this bill make conforming changes.

Sections 8 and 9 of this bill create the Office of Veterans Policy and Coordination in the Office of the Governor. This Office is headed by an Executive Director who is in the nonclassified service. The Office of Veterans Policy and Coordination is charged with developing policies, initiatives and strategies concerning services provided to veterans and servicemen and servicewomen and their families and coordinating those services.

In 2012, the Governor established by executive order the Interagency Council on Veterans Affairs. (Executive Order 2012-15 (7-3-2012)) The Council was charged with identifying and prioritizing the needs of Nevada's veterans, working toward increasing the coordination of the efforts of public and private agencies to meet those needs and preparing a report of its findings and recommendations by December 31, 2013, for submission to the Governor. Section 10 of this bill creates the Council in statute [+] and prescribes its membership, which includes ex officio members and members appointed by the Governor. Section 11 of this bill provides that the Executive Director of the Office of Veterans Policy and Coordination serves as the Chair of the Council. [and the Governor appoints the other members.] Section 11 also requires the Council to hold meetings at least once every 3 months. Section 12 of this bill prescribes issues for the Council to study and requires the Council to submit a report of its findings and recommendations to each regular session of the Legislature.

The Gift Account for Veterans Homes is established under existing law to receive gifts of money or personal property which a donor has restricted to one or more uses at a veterans home. (NRS 417.145) As a result of the authorization of the creation of a veterans home in northern Nevada in **section 55** of this bill, **section 23** of this bill changes the existing Gift

Account for Veterans Homes to the Gift Account for the Veterans Home in Southern Nevada to be used for the deposit of gifts which donors have restricted to use at that home. **Section 23** also creates the Gift Account for the Veterans Home in Northern Nevada to be used for the deposit of gifts which donors have restricted to use at this new veterans home. **Sections 37-44 and 47** of this bill make conforming changes.

[ Under existing law, public agencies, with certain exceptions, are mandated to comply with certain requirements relating to their public works projects. (Chapter 338 of NRS) Similar to the exception for the Nevada System of Higher Education, section 35 of this bill exempts the Department of Veterans Services from those requirements if at least 75 percent of the funding for the project is not money appropriated by the State or federal money, including, for example, private donations.

Certain state agencies are authorized under existing law to enter into lease-purchase agreements to acquire real property, an interest in real property or an improvement to real property under certain circumstances. (NRS 353.500-353.630) The Nevada System of Higher Education is not subject to the requirements relating to lease-purchase agreements unless it is anticipated that payments under the agreement will be made with state appropriations. (NRS 353.540) Section 36 of this bill extends this same exemption to the Department of Veterans Services for lease purchase agreements for which the payments will not be made with state appropriations, but instead with money from private donations, for example.]

Under existing law, the Division of State Parks of the State Department of Conservation and Natural Resources is required to issue an annual permit for the free use of all state parks and recreational areas in this State to persons who are 65 years of age or older and who meet certain residency requirements. (NRS 407.065) Section 46 of this bill extends this same benefit to a veteran with a permanent service-connected disability of 10 percent or more who received an other than dishonorable discharge from the Armed Forces of the United States and who is a resident of Nevada.

#### Section 8 of Assembly Bill No. 58 is hereby amended as follows:

- <u>Sec. 8.</u> 1. There is hereby created within the Office of the Governor the Office of Veterans Policy and Coordination.
- 2. The Governor shall propose a budget for the Office of Veterans Policy and Coordination.
- 3. The Governor shall appoint the Executive Director of the Office of Veterans Policy and Coordination. To be eligible for appointment as the Executive Director, a person must:
- (a) Be an actual and bona fide resident of the State of Nevada; and
- (b) Possess an honorable discharge from a branch of the military and naval service of the United States.

- <u>4.</u> The Executive Director is not in the classified or unclassified service of this State and serves at the pleasure of the Governor. The Executive Director shall devote his or her entire time to the duties of his or her office and shall not engage in any other gainful employment or occupation.
- [4.] 5. The Office of Veterans Policy and Coordination shall consist of the Executive Director and not more than 10 employees.
- <u>6.</u> Employees of the Office of Veterans Policy and Coordination are not in the classified or unclassified service of this State and serve at the pleasure of the Executive Director.

Section 9 of Assembly Bill No. 58 is hereby amended as follows:

- Sec. 9. The Executive Director:
- 1. Shall direct and supervise the administrative and technical activities of the Office of Veterans Policy and Coordination.
- 2. As directed by the Governor, shall identify, recommend and carry out policies, initiatives and strategies relating to the provision of services to veterans and servicemen and servicewomen and their families in Nevada, including, without limitation, the funding, delivery and coordination of those services.
- 3. Shall work in coordination with the Department and the Interagency Council on Veterans Affairs to carry out the policies, initiatives and strategies described in subsection 2 [+] and to communicate those policies, strategies and initiatives to veterans and servicemen and servicewomen and their families.
- 4. Shall work to increase collaboration and coordination between the State of Nevada and veterans and veterans organizations.
- 5. Shall collaborate and coordinate with the Federal Government and the appropriate officials of other states to develop best practices for the provision of services to veterans and servicemen and servicewomen and their families.
- <u>6. Shall develop recommendations for proposed legislation regarding veterans and servicemen and servicewomen and their families.</u>
- 7. On or before February 15 of each year, shall submit a report concerning the activities of the Office of Veterans Policy and Coordination during the preceding calendar year to the Nevada Veterans Services Commission, the Governor and the Director of the Legislative Counsel Bureau for transmittal to:
- (a) If the Legislature is in session, the standing committees of the Legislature which have jurisdiction over the subject matter; or
- (b) If the Legislature is not in session, the Legislative Commission.
- <u>8.</u> May apply for and accept any gift, donation, bequest, grant or other source of money to assist the Executive Director in carrying his or her duties.

[5.] 9. May adopt such regulations as may be necessary to carry out the provisions of this section.

Section 10 of Assembly Bill No. 58 is hereby amended as follows:

- Sec. 10. 1. The Interagency Council on Veterans Affairs is hereby created. The Council consists of:
- (a) The Executive Director of the Office of Veterans Policy and Coordination:
  - (b) The Director of the Department of Business and Industry;
  - (c) The Director of the Department of Corrections;
- (d) The Director of the Department of Employment, Training and Rehabilitation:
  - (e) The Director of the Department of Health and Human Services;
  - (f) The Director of the Department of Public Safety;
  - (g) The Director of the Department of Veterans Services;
  - (h) The Adjutant General;
  - [(h)] (i) The Chancellor of the Nevada System of Higher Education;
  - $\frac{f(i)}{f(i)}$  (j) The Executive Director of the Office of Economic Development;
  - $\frac{f(i)}{f(k)}$  (k) The Executive Director of the Nevada Indian Commission; and
- [(k)] (1) Any other persons appointed by the Governor, including, without limitation, representatives of federal and local governmental agencies and private entities that provide services to veterans. Members appointed pursuant to this paragraph serve at the pleasure of the Governor.
- 2. A member of the Council set forth in paragraphs (b) to  $\frac{\{(j),j\}}{\{(l),j\}}$  inclusive, may designate a person to represent him or her at any meeting of the Council. The person designated may exercise all the duties, rights and privileges of the member that he or she represents.

Section 35 of Assembly Bill No. 58 is hereby amended as follows:

- Sec. 35. [NRS 338.010 is hereby amended to read as follows:
- 338.010 As used in this chapter:
- 1. "Authorized representative" means a person designated by a public body to be responsible for the development, solicitation, award or administration of contracts for public works pursuant to this chapter.
- 2. "Contract" means a written contract entered into between a contractor and a public body for the provision of labor, materials, equipment or supplies for a public work.
- "Contractor" means:
- (a) A person who is licensed pursuant to the provisions of chapter 624 of NRS.
- (b) A design build team.
- 4. "Day labor" means all eases where public bodies, their officers, agents or employees, hire, supervise and pay the wages thereof directly to a worker

- or workers employed by them on public works by the day and not under a contract in writing.
- 5. "Design-build contract" means a contract between a public body and a design-build team in which the design-build team agrees to design and construct a public work.
- 6. "Design build team" means an entity that consists of:
- (a) At least one person who is licensed as a general engineering contractor or a general building contractor pursuant to chapter 624 of NRS; and
- (b) For a public work that consists of:
- (1) A building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS.
- (2) Anything other than a building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS or landscape architecture pursuant to chapter 623A of NRS or who is licensed as a professional engineer pursuant to chapter 625 of NRS.
- 7. "Design professional" means:
- (a) A person who is licensed as a professional engineer pursuant to chapter 625 of NRS;
- (b) A person who is licensed as a professional land surveyor pursuant to chanter 625 of NRS:
- (e) A person who holds a certificate of registration to engage in the practice of architecture, interior design or residential design pursuant to chapter 623 of NRS;
- (d) A person who holds a certificate of registration to engage in the practice of landscape architecture pursuant to chapter 623A of NRS; or
- (e) A business entity that engages in the practice of professional engineering, land surveying, architecture or landscape architecture.
- 8. "Division" means the State Public Works Division of the Department of Administration.
- 9. "Eligible bidder" means a person who is:
- (a) Found to be a responsible and responsive contractor by a local government or its authorized representative which requests bids for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373; or
- (b) Determined by a public body or its authorized representative which awarded a contract for a public work pursuant to NRS 338.1375 to 338.139, inclusive, to be qualified to bid on that contract pursuant to NRS 338.1379 or 338.1382.
- 10. "General contractor" means a person who is licensed to conduct business in one, or both, of the following branches of the contracting business:
- (a) General engineering contracting, as described in subsection 2 of NRS 624.215.

- (b) General building contracting, as described in subsection 3 of NRS 624.215.
- 11. "Governing body" means the board, council, commission or other body in which the general legislative and fiscal powers of a local government are vested.
- 12. "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, eities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318, 379, 474, 538, 541, 543 and 555 of NRS, NRS 450.550 to 450.750, inclusive, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision. The term includes a person who has been designated by the governing body of a local government to serve as its authorized representative.
- 13. "Offense" means failing to:
- (a) Pay the prevailing wage required pursuant to this chapter;
- (b) Pay the contributions for unemployment compensation required pursuant to chapter 612 of NRS;
- (e) Provide and secure compensation for employees required pursuant to chapters 616A to 617, inclusive, of NRS; or
- (d) Comply with subsection 4 or 5 of NRS 338.070.
- 14 "Prime contractor" means a contractor who:
- (a) Contracts to construct an entire project;
- (b) Coordinates all work performed on the entire project;
- (e) Uses his or her own workforce to perform all or a part of the public work; and
- (d) Contracts for the services of any subcontractor or independent contractor or is responsible for payment to any contracted subcontractors or independent contractors.
- The term includes, without limitation, a general contractor or a specialty contractor who is authorized to bid on a project pursuant to NRS 338.139 or 338.148.
- —15. "Public body" means the State, county, city, town, school district or any public agency of this State or its political subdivisions sponsoring or financing a public work.
- —16. "Public work" means any project for the new construction, repair or reconstruction of:
- (a) A project financed in whole or in part from public money for:
  - (1) Public buildings;
- (2) Jails and prisons:
- (3) Public roads:

- (4) Public highways;
- (5) Public streets and alleys;
- (6) Public utilities;
- (7) Publicly owned water mains and sewers;
- (8) Public parks and playgrounds;
- (9) Public convention facilities which are financed at least in part with public money; and
  - (10) All other publicly owned works and property.
- (b) A building for the *Department of Veterans Services or the* Nevada System of Higher Education of which 25 percent or more of the costs of the building as a whole are paid from money appropriated by this State or from federal money.
- -17. "Specialty contractor" means a person who is licensed to conduct business as described in subsection 4 of NRS 624.215.
- 18. "Stand alone underground utility project" means an underground utility project that is not integrated into a larger project, including, without limitation:
- (a) An underground sewer line or an underground pipeline for the conveyance of water, including facilities appurtenant thereto; and
- (b) A project for the construction or installation of a storm drain, including facilities appurtenant thereto,
- that is not located at the site of a public work for the design and construction of which a public body is authorized to contract with a design-build team pursuant to subsection 2 of NRS 338.1711.
- 19. "Subcontract" means a written contract entered into between:
- (a) A contractor and a subcontractor or supplier; or
- (b) A subcontractor and another subcontractor or supplier,
- for the provision of labor, materials, equipment or supplies for a construction project.
- 20. "Subcontractor" means a person who:
- (a) Is licensed pursuant to the provisions of chapter 624 of NRS or performs such work that the person is not required to be licensed pursuant to chapter 624 of NRS; and
- (b) Contracts with a contractor, another subcontractor or a supplier to provide labor, materials or services for a construction project.
- 21. "Supplier" means a person who provides materials, equipment or supplies for a construction project.
- 22. "Wages" means:
- -(a) The basic hourly rate of pay; and
- (b) The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training or other similar programs or other bona fide fringe benefits which are a benefit to the worker.

23. "Worker" means a skilled mechanic, skilled worker, semiskilled mechanic, semiskilled worker or unskilled worker in the service of a contractor or subcontractor under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed. The term does not include a design professional.] (Deleted by amendment.)

Section 36 of Assembly Bill No. 58 is hereby amended as follows:

Sec. 36. [NRS 353.540 is hereby amended to read as follows:

353.540 "State agency" means an agency, bureau, board, commission, department, division or any other unit of the government of this State that is required to submit information to the Chief pursuant to subsection 1 or 6 of NRS 353.210. "State agency" does not include the *Department of Veterans Services or the* Nevada System of Higher Education unless it is anticipated that payments under the agreement will be made with state appropriations.] (Deleted by amendment.)

Section 38 of Assembly Bill No. 58 is hereby amended as follows:

**Sec. 38.** NRS 361.0905 is hereby amended to read as follows:

361.0905 1. Any person who qualifies for an exemption pursuant to NRS 361.090 or 361.091 may, in lieu of claiming the exemption:

- (a) Pay to the county [assessor] tax receiver all or any portion of the amount by which the tax would be reduced if the person claimed the exemption; and
- (b) Direct the county [assessor] tax receiver to deposit that amount for credit to the Gift Account for the Veterans [Homes] Home in Southern Nevada or the Gift Account for the Veterans Home in Northern Nevada established pursuant to NRS 417.145.
- 2. Any person who wishes to waive his or her exemption pursuant to this section shall designate the amount to be credited to [the] a Gift Account on a form provided by the Nevada Tax Commission.
- 3. The county [assessor] tax receiver shall deposit any money received pursuant to this section with the State Treasurer for credit to the Gift Account for the Veterans [Homes] Home in Southern Nevada or the Gift Account for the Veterans Home in Northern Nevada established pursuant to NRS 417.145. The State Treasurer shall not accept more than a total of \$2,000,000 for credit to [the] a Gift Account pursuant to this section and NRS 371.1035 during any fiscal year.

#### Section 56 of Assembly Bill No. 58 is hereby amended as follows:

Sec. 56. On or before October 1, 2013, the Governor shall appoint the members of the Interagency Council on Veterans Affairs pursuant to paragraph  $\frac{1}{2}$  (1) of subsection 1 of section 10 of this act.

Assemblywoman Neal moved the adoption of the amendment. Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 168.

Bill read second time.

The following amendment was proposed by the Committee on Natural Resources, Agriculture, and Mining:

Amendment No. 372.

AN ACT relating to wildlife; requiring the membership of each county advisory board to manage wildlife to include one qualified member who represents the interests of the general public; and providing other matters properly relating thereto.

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

Existing law establishes a county advisory board to manage wildlife in each county in the State of Nevada. (NRS 501.260) The boards are required to solicit and evaluate local opinion and advise the Board of Wildlife Commissioners on matters relating to the management of wildlife within their respective counties, including recommendations for setting seasons for fishing, hunting and trapping, bag limits and hours. (NRS 501.297, 501.303) The board of county commissioners of each county is required to appoint the members of the county advisory board to manage wildlife **for the county.** Each person appointed to a county advisory board is required to: (1) be a hunter, trapper, angler or a person engaged in ranching or farming; and (2) reside in the county in which the board sits. (NRS 501.265, 501.270) This bill requires each board of county commissioners to appoint one person who represents the interests of the general public to occupy one position on feach the county advisory board [ to manage wildlife in that county. This bill also requires the board of county commissioners, when filling a vacancy in the membership of a hunter, trapper, angler, rancher or farmer, to consider the recommendations of persons who are engaged in ranching or farming in the county.

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

**Section 1.** NRS 501.265 is hereby amended to read as follows:

501.265 1. The board of county commissioners shall appoint qualified persons to the board who are residents of the county and are: [, including one member who represents the interests of the general public. The remaining members of the board appointed by the board of county commissioners must be:]

- (a) Hunters, trappers or anglers; or
- (b) Engaged in ranching or farming in the county.

- 2. In addition to the members appointed pursuant to subsection 1, the board of county commissioners shall appoint one qualified person to the board who represents the interests of the general public of the county. The person appointed pursuant to this subsection must be a resident of the county from which he or she is appointed.
- <u>3.</u> Within 60 days after a vacancy occurs, the board of county commissioners shall , if the vacant member was appointed:
- (a) Pursuant to subsection 1, appoint a member to the board upon the recommendation of [the organized]:
- (1) Organizations that represent hunters, trappers or anglers [and residents of] in the county [-
- $\frac{3.}{3}$ ; and
- (2) Persons who are engaged in ranching or farming in the county.
- (b) Pursuant to subsection 2, appoint a member to the board pursuant to the provisions of that subsection.
- <u>4.</u> Within 90 days after a vacancy occurs, the board of county commissioners shall report to the Commission the name and address of each member appointed.
- Sec. 2. 1. As soon as practicable after the first vacancy in the membership of a county advisory board to manage wildlife occurs on or after July 1, 2013, the board of county commissioners which appoints the members of that county advisory board to manage wildlife shall appoint one member who is qualified to represent the interests of the general public pursuant to subsection [11] 2 of NRS 501.265, as amended by section 1 of this act.
- 2. Upon appointing the member of the county advisory board to manage wildlife pursuant to subsection 1, the board of county commissioners shall submit the name and address of the appointed member to the Board of Wildlife Commissioners.
  - **Sec. 3.** This act becomes effective on July 1, 2013.

Assemblyman Daly moved the adoption of the amendment.

Remarks by Assemblyman Daly.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 209.

Bill read second time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 525.

AN ACT relating to dairy products; <del>[revising certain provisions governing the sale of milk and milk products to be consistent with federal law;]</del>

providing that raw milk certified by the county milk commission of the county in which the raw milk is produced may be sold anywhere in this State; **making various other changes to provisions governing county milk commissions;** and providing other matters properly relating thereto.

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

Existing law authorizes a county milk commission to regulate the production and distribution of certified raw milk and certified raw milk products in that county. (NRS 584.207, 584.208) Sections 2 and 3 of this bill provide that raw milk certified by the county milk commission of the county in which the raw milk is produced can be sold anywhere in this State. Section 2 requires, rather than authorizes, a county milk commission to adopt regulations to establish certain fees and charges. Section 2 also requires a county milk commission to conduct certain daily tests, regular inspections and analyses and to adopt certain regulations. Such regulations must include, without limitation, requirements for the labeling of certified raw milk, procedures for daily testing and requirements that an applicant for certification maintain liability insurance in a specified amount to insure against any potential adverse effect on human health that may result from the consumption of raw milk produced by the applicant.

Section 1 of this bill [revises existing law relating to the sale of milk and milk products to be consistent with federal law, which prohibits the interstate sale of unpasteurized milk and milk products. (NRS 584.205; 21 C.F.R. § 1240.61)] removes the provision allowing raw milk to be imported to Nevada if produced under certain standards.

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

## **Section 1.** NRS 584.205 is hereby amended to read as follows:

- 584.205 1. In addition to the initial inspection of new applicants, the Commission shall, except as otherwise provided in subsection 2, direct a periodic inspection, not less than annually, of all facilities belonging to permittees to ascertain whether the services, facilities and equipment continue to comply with the regulations referred to in NRS 584.195.
- 2. Except as otherwise provided in NRS 584.208 and the regulations adopted pursuant to that section, milk [Milk] and milk products , including certified raw milk and products made from it, imported from outside the State of Nevada may be sold in this state without inspection by the Commission if: [the requirements of paragraph (c) and the requirements of paragraph (a) or (b) are met:]
- (a) [In the case of certified raw milk and products made from it, they have been produced under standards adopted by the American Association of

Medical Milk Commissions and under the statutory provisions of the State of California applicable to such products.

- (b)] The milk and milk products have been produced, pasteurized, processed, transported and inspected under statutes or regulations substantially equivalent to the Nevada milk and milk products statutes and regulations [ $\cdot$ ] [ $\cdot$ ] and]; or
- $\{(c)\}\$  (b) The milk and milk products have been awarded an acceptable milk sanitation, compliance and enforcement rating by a state milk sanitation rating officer certified by the United States Public Health Service.
- 3. Whenever the Commission has reasonable grounds to believe that a seller of milk or milk products <u>including certified raw milk and products made from it</u>, is violating any of the regulations adopted by the Commission or any county milk commission relating to the sanitation and grading of milk and milk products <u>including certified raw milk and products made from it</u>, or that the seller's facilities or products fail to meet the regulations or that the seller's operation is in any other manner not in the best interests of the people of this state, the Commission may conduct a reasonable inspection, and if any violation or other condition inimical to the best interests of the people of this state is found, to take corrective action pursuant to NRS 584.180 to 584.210, inclusive.
  - **Sec. 2.** NRS 584.207 is hereby amended to read as follows:
- 584.207 1. Certified raw milk is unpasteurized, marketed milk which conforms to the regulations and standards [adopted by the county milk eommission] for the production and distribution of certified raw milk and certified raw milk products [in] adopted by the county milk commission of the county in which [they] the certified raw milk and certified raw milk products are produced.
- 2. In each county in which certified raw milk or certified raw milk products are produced for public consumption, there must be a county milk commission to regulate the production and distribution of those products. The board of county commissioners shall appoint to the commission three members for terms of 4 years, all of whom are eligible for reappointment. The members must all be residents of the county and have the following respective qualifications:
- (a) One member must be a physician licensed in this State and a member of the medical society of the state;
- (b) One member must be a veterinarian licensed in this State and a member of the county or regional veterinarian association; and
  - (c) One member must be a representative of the public at large.
  - 3. A county milk commission shall:
- (a) Elect one of its members as chair and adopt appropriate rules to govern:

- (1) The time and place of its meetings;
- (2) Its rules of procedure; and
- (3) Its recordkeeping and other internal operations.
- (b) Adopt written regulations, which must be approved by the State Dairy Commission, governing the production, distribution and sale [in the county] of certified raw milk and products made from it, to protect the public health and safety and the integrity of the product. The regulations so adopted must [conform as nearly as practicable to, but may be more stringent than, the standards adopted by the American Association of Medical Milk Commissions.] include, without limitation:
  - (1) Requirements for the labeling of certified raw milk;
- (2) Procedures for the daily testing required pursuant to paragraph (e);
- (3) Requirements that an applicant for certification maintain liability insurance in a specified amount to insure against any potential adverse effect on human health that may result from the consumption of raw milk produced by the applicant; and
- (4) Any fees and charges as are reasonably necessary to defray the costs and expenses incurred by the county milk commission in the performance of its duties under this section.
- (c) Certify raw milk and the products thereof for any applicant producing raw milk within the county, whose product and methods of production, distribution and sale comply with the regulations and standards adopted by the county milk commission.
  - [4. A county milk commission may:
- (a) Establish and collect such
- (d) Collect any fees [and] or charges [as appear reasonably necessary to defray the costs and expenses incurred by it in the performance of its duties under this section,] imposed pursuant to regulations adopted pursuant to paragraph (b) and expend any money so collected as is necessary for [such performance.]
- <del>(b) Conduct] the performance of its duties under this section.</del>
- (e) Require such daily tests, regular inspections and analyses as are necessary to enable the county milk commission to perform its duties under this section and employ such personnel and equipment as it deems necessary therefor.
- [5.] 4. Each applicant for certification must, as a condition for entertaining his or her application and as a condition for any certification granted, submit for testing by the county milk commission such samples as the county milk commission requests, and allow inspections by the county milk commission or its agents at any reasonable times, of any or all of the facilities, equipment, herds or other property employed in the applicant's

dairy operations, including, without limitation, all of the applicant's books and records relating thereto.

- **Sec. 3.** NRS 584.208 is hereby amended to read as follows:
- 584.208 1. Certified raw milk and products made from it may be sold *anywhere in this State* if the milk has been:
- (a) Cooled to 45 degrees Fahrenheit or less immediately after being drawn from the cow or goat and maintained at or below that temperature until it is delivered to the consumer, at which time it may not contain more than 10 coliform bacteria per milliliter or more than 10,000 bacteria per milliliter; and
- (b) Certified by the county milk commission of the county in which it was produced.
- 2. No person may come in contact with or be near raw milk before it is sold to the consumer unless the person maintains scrupulous cleanliness and is not afflicted with any communicable disease or in a condition to disseminate any disease which can be transmitted by milk. No person may handle milk to be sold as raw unless the person has a physical examination before any employment requiring the person to do so and every 3 months thereafter while continuing in the employment.
  - 3. The State Dairy Commission shall adopt regulations governing:
- (a) Inspections to determine the health of cows and goats which produce milk for sale as raw milk.
- (b) Inspections of dairy farms which produce milk for sale as raw milk and establishing minimum standards of cleanliness and sanitation for the farms.
- (c) Examinations of all persons who come in contact with raw milk before it is sold to a consumer.
- (d) Other matters connected with the production and sale of raw milk which the Commission deems necessary to protect the public health.
  - **Sec. 4.** This act becomes effective on July 1, 2013.

Assemblywoman Dondero Loop moved the adoption of the amendment.

Remarks by Assemblywoman Dondero Loop.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 218.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 402.

AN ACT relating to public works; defining the term "bona fide fringe benefit" for certain provisions applicable to the payment of wages for public works; revising the requirements pursuant to which a contractor or subcontractor engaged on a public work may discharge his or her obligation to pay prevailing wages to workers; and providing other matters properly relating thereto.

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

Existing law sets forth general provisions applicable to public works, including provisions requiring the payment of prevailing wages for public works projects. (NRS 338.010-338.090) Existing law also authorizes the Labor Commissioner: (1) to provide certain remedies for violations of those provisions; and (2) after providing notice and an opportunity for a hearing, to impose an administrative penalty against a person who violates those provisions. (NRS 338.015, 338.017, 338.090) Further, under existing law, a contractor or subcontractor engaged on a public work is authorized to discharge his or her obligation to pay prevailing wages to workers in part by making certain contributions in the name of the worker. (NRS 338.035)

**Section 4** of this bill sets forth the requirements pursuant to which a contractor or subcontractor engaged on a public work may discharge any part of his or her obligation to pay prevailing wages to a worker by providing bona fide fringe benefits in the name of the worker. Those requirements include, among other things, that the bona fide fringe benefits are paid equally for all hours worked in a calendar year by the worker for the contractor or subcontractor. **Section 1** of this bill defines "bona fide fringe benefit" for the purposes of the provisions applicable to public works. **Section 4** also requires the Labor Commissioner, after providing notice and an opportunity for a hearing, to: (1) impose an administrative penalty against a contractor or subcontractor who violates the provisions of that section; (2) require the contractor or subcontractor to make the affected worker whole by paying to the worker as wages any amounts disallowed as bona fide fringe benefits; (3) report the violation to the Attorney General; and (4) notify certain governmental and other entities of the violation.

Existing law provides that if an administrative penalty is imposed against a person for the commission of an offense as defined in relation to public works: (1) the person and any corporate officer of the person are prohibited from receiving a contract for a public work for specified periods depending on the number of offenses; and (2) the Labor Commissioner is required to notify the State Contractors' Board with regard to each contractor who is prohibited from being awarded such a contract. (NRS 338.010, 338.017) Section 1 of this bill makes this provision of existing law applicable to discharging an obligation to pay wages in a manner that violates the provisions of section 4 by adding that violation to the definition of an "offense" in section 1.

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

**Section 1.** NRS 338.010 is hereby amended to read as follows: 338.010 As used in this chapter:

- 1. "Authorized representative" means a person designated by a public body to be responsible for the development, solicitation, award or administration of contracts for public works pursuant to this chapter.
- 2. "Bona fide fringe benefit" means a benefit in the form of a contribution that is made not less frequently than monthly to an independent third party pursuant to a fund, plan or program:
- (a) Which is established for the sole and exclusive benefit of a worker and his or her family and dependents; and
- (b) For which none of the assets will revert to, or otherwise be credited to, any contributing employer or sponsor of the fund, plan or program.
- → The term includes, without limitation, benefits for a worker that are determined pursuant to a collective bargaining agreement.
- **3.** "Contract" means a written contract entered into between a contractor and a public body for the provision of labor, materials, equipment or supplies for a public work.
  - [3.] 4. "Contractor" means:
- (a) A person who is licensed pursuant to the provisions of chapter 624 of NRS.
  - (b) A design-build team.
- [4.] 5. "Day labor" means all cases where public bodies, their officers, agents or employees, hire, supervise and pay the wages thereof directly to a worker or workers employed by them on public works by the day and not under a contract in writing.
- [5.] 6. "Design-build contract" means a contract between a public body and a design-build team in which the design-build team agrees to design and construct a public work.
  - [6.] 7. "Design-build team" means an entity that consists of:
- (a) At least one person who is licensed as a general engineering contractor or a general building contractor pursuant to chapter 624 of NRS; and
  - (b) For a public work that consists of:
- (1) A building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS.
- (2) Anything other than a building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS or landscape architecture pursuant to chapter 623A of NRS or who is licensed as a professional engineer pursuant to chapter 625 of NRS.
  - [7.] 8. "Design professional" means:

- (a) A person who is licensed as a professional engineer pursuant to chapter 625 of NRS;
- (b) A person who is licensed as a professional land surveyor pursuant to chapter 625 of NRS;
- (c) A person who holds a certificate of registration to engage in the practice of architecture, interior design or residential design pursuant to chapter 623 of NRS;
- (d) A person who holds a certificate of registration to engage in the practice of landscape architecture pursuant to chapter 623A of NRS; or
- (e) A business entity that engages in the practice of professional engineering, land surveying, architecture or landscape architecture.
- [8.] 9. "Division" means the State Public Works Division of the Department of Administration.
  - [9.] 10. "Eligible bidder" means a person who is:
- (a) Found to be a responsible and responsive contractor by a local government or its authorized representative which requests bids for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373; or
- (b) Determined by a public body or its authorized representative which awarded a contract for a public work pursuant to NRS 338.1375 to 338.139, inclusive, to be qualified to bid on that contract pursuant to NRS 338.1379 or 338.1382.
- [10.] 11. "General contractor" means a person who is licensed to conduct business in one, or both, of the following branches of the contracting business:
- (a) General engineering contracting, as described in subsection 2 of NRS 624.215.
- (b) General building contracting, as described in subsection 3 of NRS 624.215.
- [11.] 12. "Governing body" means the board, council, commission or other body in which the general legislative and fiscal powers of a local government are vested.
- [12.] 13. "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, 379, 474, 538, 541, 543 and 555 of NRS, NRS 450.550 to 450.750, inclusive, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision. The term includes a person who has been designated by the governing body of a local government to serve as its authorized representative.
  - [13.] 14. "Offense" means [failing]:

- (a) Failing to:
- $\frac{[(a)]}{(1)}$  Pay the prevailing wage required pursuant to this chapter;
- [(b)] (2) Pay the contributions for unemployment compensation required pursuant to chapter 612 of NRS;
- [(e)] (3) Provide and secure compensation for employees required pursuant to chapters 616A to 617, inclusive, of NRS; or
  - $\frac{(d)}{(4)}$  (4) Comply with subsection 4 or 5 of NRS 338.070.
- [14.] (b) Discharging an obligation to pay wages in a manner that violates the provisions of NRS 338.035.
  - 15. "Prime contractor" means a contractor who:
  - (a) Contracts to construct an entire project;
  - (b) Coordinates all work performed on the entire project;
- (c) Uses his or her own workforce to perform all or a part of the public work; and
- (d) Contracts for the services of any subcontractor or independent contractor or is responsible for payment to any contracted subcontractors or independent contractors.
- → The term includes, without limitation, a general contractor or a specialty contractor who is authorized to bid on a project pursuant to NRS 338.139 or 338.148.
- [15.] 16. "Public body" means the State, county, city, town, school district or any public agency of this State or its political subdivisions sponsoring or financing a public work.
- [16.] 17. "Public work" means any project for the new construction, repair or reconstruction of:
  - (a) A project financed in whole or in part from public money for:
    - (1) Public buildings;
    - (2) Jails and prisons;
    - (3) Public roads;
    - (4) Public highways;
    - (5) Public streets and alleys;
    - (6) Public utilities:
    - (7) Publicly owned water mains and sewers;
    - (8) Public parks and playgrounds;
- (9) Public convention facilities which are financed at least in part with public money; and
  - (10) All other publicly owned works and property.
- (b) A building for the Nevada System of Higher Education of which 25 percent or more of the costs of the building as a whole are paid from money appropriated by this State or from federal money.
- [17.] 18. "Specialty contractor" means a person who is licensed to conduct business as described in subsection 4 of NRS 624.215.

- [18.] 19. "Stand-alone underground utility project" means an underground utility project that is not integrated into a larger project, including, without limitation:
- (a) An underground sewer line or an underground pipeline for the conveyance of water, including facilities appurtenant thereto; and
- (b) A project for the construction or installation of a storm drain, including facilities appurtenant thereto,
- → that is not located at the site of a public work for the design and construction of which a public body is authorized to contract with a design-build team pursuant to subsection 2 of NRS 338.1711.
  - [19.] 20. "Subcontract" means a written contract entered into between:
  - (a) A contractor and a subcontractor or supplier; or
  - (b) A subcontractor and another subcontractor or supplier,
- for the provision of labor, materials, equipment or supplies for a construction project.
  - [20.] 21. "Subcontractor" means a person who:
- (a) Is licensed pursuant to the provisions of chapter 624 of NRS or performs such work that the person is not required to be licensed pursuant to chapter 624 of NRS; and
- (b) Contracts with a contractor, another subcontractor or a supplier to provide labor, materials or services for a construction project.
- [21.] 22. "Supplier" means a person who provides materials, equipment or supplies for a construction project.
  - [22.] 23. "Wages" means:
  - (a) The basic hourly rate of pay; and
- (b) The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training [or other similar programs] or other bona fide fringe benefits which are a benefit to the worker.
- [23.] 24. "Worker" means a skilled mechanic, skilled worker, semiskilled mechanic, semiskilled worker or unskilled worker in the service of a contractor or subcontractor under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed. The term does not include a design professional.
  - **Sec. 2.** NRS 338.015 is hereby amended to read as follows:
- 338.015 1. The Labor Commissioner shall enforce the provisions of NRS 338.010 to 338.130, inclusive.
- 2. [In] Except as otherwise provided in NRS 338.035 and in addition to any other remedy or penalty provided in this chapter, if any person, including, without limitation, a public body, violates any provision of NRS 338.010 to 338.130, inclusive, or any regulation adopted pursuant thereto, the Labor Commissioner may, after providing the person with notice

and an opportunity for a hearing, impose against the person an administrative penalty of not more than \$5,000 for each such violation.

- 3. The Labor Commissioner may, by regulation, establish a sliding scale based on the severity of the violation to determine the amount of the administrative penalty to be imposed against the person pursuant to this section.
- 4. The Labor Commissioner shall report the violation to the Attorney General, and the Attorney General may prosecute the person in accordance with law.
  - **Sec. 3.** NRS 338.018 is hereby amended to read as follows:
- 338.018 The provisions of NRS 338.013 to 338.018, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds \$100,000 even if the construction work does not qualify as a public work, as defined in subsection [16] 17 of NRS 338.010.
  - **Sec. 4.** NRS 338.035 is hereby amended to read as follows:
- 338.035 1. The obligation of a contractor engaged on a public work or a subcontractor engaged on a public work to pay wages in accordance with the determination of the Labor Commissioner may be discharged in part by [making contributions to a third person pursuant to a fund, plan or program] providing bona fide fringe benefits in the name of the worker.
- 2. A contractor or subcontractor may, pursuant to subsection 1, discharge any part of his or her obligation to pay wages in accordance with the determination of the Labor Commissioner only to the extent that the bona fide fringe benefits provided in the name of the worker are annualized.
- 3. A contractor or subcontractor who, pursuant to subsection 1, discharges any part of his or her obligation to pay wages in accordance with the determination of the Labor Commissioner shall provide to the Labor Commissioner and the public body that awarded the contract for the public work any information requested by the Labor Commissioner or the public body, as applicable, to verify compliance with this section.
- 4. In addition to any other remedy or penalty provided in this chapter, after providing the contractor or subcontractor with notice and an opportunity for a hearing, the Labor Commissioner shall, if the Labor Commissioner finds that the contractor or subcontractor has violated a provision of this section:
- (a) For the first violation, impose against the contractor or subcontractor an administrative penalty of not less than \$2,500 or more than \$5,000;
- (b) For the second or any subsequent violation within 5 years after the date of imposition of an administrative penalty pursuant to paragraph (a),

impose against the contractor or subcontractor an administrative penalty of not less than \$5,000;

- (c) Require the contractor or subcontractor to make the affected worker whole by paying to the worker as wages any amounts disallowed as bona fide fringe benefits in a manner prescribed by the Labor Commissioner;
- (d) Report the violation to the Attorney General, and the Attorney General may prosecute the contractor or subcontractor in accordance with law; and
- (e) In addition to notifying the State Contractors' Board pursuant to NRS 338.017, notify the provider of workers' compensation for the contractor or subcontractor, the Employment Security Division of the Department of Employment, Training and Rehabilitation and the public body that awarded the contract for the public work of the violation.
- 5. The provisions of this section do not apply with regard to [a]:
- <u>(a)</u> A worker whose benefits are determined pursuant to a collective bargaining agreement  $\frac{\square}{\square}$ ; or
- (b) Contributions made in the name of the worker by a contractor or subcontractor to a defined contribution plan to the extent that the amount contributed does not exceed 25 percent of the hourly rate of wages paid to the worker on the public work.
  - 6. As used in this section [f, "annualized"]:
- (a) "Annualized" means an amount paid equally for all hours worked in a calendar year by the worker for the contractor or subcontractor who is providing bona fide fringe benefits.
- (b) "Defined contribution plan" has the meaning ascribed to it in 29 U.S.C. § 1002(34).
  - **Sec. 5.** NRS 338.075 is hereby amended to read as follows:
- 338.075 The provisions of NRS 338.020 to 338.090, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds \$100,000 even if the construction work does not qualify as a public work, as defined in subsection [16] 17 of NRS 338.010.
  - **Sec. 6.** NRS 338.090 is hereby amended to read as follows:
- 338.090 1. Any person, including the officers, agents or employees of a public body, who violates any provision of NRS 338.010 to 338.090, inclusive, or any regulation adopted pursuant thereto, is guilty of a misdemeanor.
- 2. The Labor Commissioner, in addition to any other remedy or penalty provided in this chapter:
- (a) Shall, except as otherwise provided in subsection 4, assess a person who, after an opportunity for a hearing, is found to have failed to pay the prevailing wage required pursuant to NRS 338.020 to 338.090, inclusive, an

- amount equal to the difference between the prevailing wages required to be paid and the wages that the contractor or subcontractor actually paid; and
- (b) May, in addition to any other administrative penalty, impose an administrative penalty not to exceed the costs incurred by the Labor Commissioner to investigate and prosecute the matter.
- 3. If the Labor Commissioner finds that a person has failed to pay the prevailing wage required pursuant to NRS 338.020 to 338.090, inclusive, the public body may, in addition to any other remedy or penalty provided in this chapter, require the person to pay the actual costs incurred by the public body to investigate the matter.
- 4. The Labor Commissioner is not required to assess a person an amount equal to the difference between the prevailing wages required to be paid and the wages that the contractor or subcontractor actually paid if the contractor or subcontractor has already paid that amount to a worker pursuant to paragraph (c) of subsection 4 of NRS 338.035.
  - **Sec. 7.** NRS 338.1908 is hereby amended to read as follows:
- 338.1908 1. The governing body of each local government shall, by July 28, 2009, develop a plan to retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures. Such a plan must:
- (a) Include a list of specific projects. The projects must be prioritized and selected on the basis of the following criteria:
  - (1) The length of time necessary to commence the project.
  - (2) The number of workers estimated to be employed on the project.
  - (3) The effectiveness of the project in reducing energy consumption.
  - (4) The estimated cost of the project.
- (5) Whether the project is able to be powered by or otherwise use sources of renewable energy.
- (6) Whether the project has qualified for participation in one or more of the following programs:
- (I) The Solar Energy Systems Incentive Program created by NRS 701B.240:
- (II) The Renewable Energy School Pilot Program created by NRS 701B.350;
- (III) The Wind Energy Systems Demonstration Program created by NRS 701B.580; or
- (IV) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820.
- (b) Include a list of potential funding sources for use in implementing the projects, including, without limitation, money available through the Energy Efficiency and Conservation Block Grant Program as set forth in 42 U.S.C. §

- 17152 and grants, gifts, donations or other sources of money from public and private sources.
- 2. The governing body of each local government shall transmit the plan developed pursuant to subsection 1 to the Director of the Office of Energy and to any other entity designated for that purpose by the Legislature.
  - 3. As used in this section:
- (a) "Local government" means each city or county that meets the definition of "eligible unit of local government" as set forth in 42 U.S.C. § 17151 and each unit of local government, as defined in subsection [12] 13 of NRS 338.010, that does not meet the definition of "eligible entity" as set forth in 42 U.S.C. § 17151.
- (b) "Renewable energy" means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:
  - (1) Biomass:
  - (2) Fuel cells;
  - (3) Geothermal energy;
  - (4) Solar energy;
  - (5) Waterpower; and
  - (6) Wind.
- → The term does not include coal, natural gas, oil, propane or any other fossil fuel, or nuclear energy.
- (c) "Retrofit" means to alter, improve, modify, remodel or renovate a building, facility or structure to make that building, facility or structure more energy-efficient.
- **Sec. 8.** Section 9.5 of the Reno-Tahoe Airport Authority Act, being chapter 369, Statutes of Nevada 2005, at page 1386, is hereby amended to read as follows:
  - Sec. 9.5. 1. Except as otherwise determined by the Board or provided in subsection 2, the provisions of any law requiring public bidding or otherwise imposing requirements on any public contract, project, acquisition, works or improvements, including, without limitation, the provisions of chapters 332, 338 and 339 of NRS, do not apply to any contract entered into by the Board if the Board:
    - (a) Complies with the provisions of subsection 3; and
  - (b) Finances the contract, project, acquisition, works or improvement by means of:
    - (1) Revenue bonds issued by the Authority; or
  - (2) An installment obligation of the Authority in a transaction in which:
  - (I) The Authority acquires real or personal property and another person acquires or retains a security interest in that or other property; and

- (II) The obligation by its terms is extinguished by failure of the Board to appropriate money for the ensuing fiscal year for payment of the amounts then due.
- 2. A contract entered into by the Board pursuant to this section must:
- (a) Contain a provision stating that the requirements of NRS 338.010 to 338.090, inclusive, apply to any construction work performed pursuant to the contract; and
- (b) If the contract is with a design professional who is not a member of a design-build team, comply with the provisions of NRS 338.155. As used in this paragraph, "design professional" has the meaning ascribed to it in subsection [7] 8 of NRS 338.010.
- 3. For contracts entered into pursuant to this section that are exempt from the provisions of chapters 332, 338 and 339 of NRS pursuant to subsection 1, the Board shall adopt regulations pursuant to subsection 4 which establish:
- (a) One or more competitive procurement processes for letting such a contract: and
- (b) A method by which a bid on such a contract will be adjusted to give a 5 percent preference to a contractor who would qualify for a preference pursuant to NRS 338.147, if:
  - (1) The estimated cost of the contract exceeds \$250,000; and
- (2) Price is a factor in determining the successful bid on the contract.
  - 4. The Board:
- (a) Shall, before adopting, amending or repealing a permanent or temporary regulation pursuant to subsection 3, give at least 30 days' notice of its intended action. The notice must:
  - (1) Include:
- (I) A statement of the need for and purpose of the proposed regulation.
- (II) Either the terms or substance of the proposed regulation or a description of the subjects and issues involved.
- (III) The estimated cost to the Board for enforcement of the proposed regulation.
- (IV) The time when, the place where and the manner in which interested persons may present their views regarding the proposed regulation.
- (V) A statement indicating whether the regulation establishes a new fee or increases an existing fee.
- (2) State each address at which the text of the proposed regulation may be inspected and copied.

- (3) Be mailed to all persons who have requested in writing that they be placed upon a mailing list, which must be kept by the Authority for that purpose.
- (b) May adopt, if it has adopted a temporary regulation after notice and the opportunity for a hearing as provided in this subsection, after providing a second notice and the opportunity for a hearing, a permanent regulation.
- (c) Shall, in addition to distributing the notice to each recipient of the Board's regulations, solicit comment generally from the public and from businesses to be affected by the proposed regulation.
- (d) Shall, before conducting a workshop pursuant to paragraph (g), determine whether the proposed regulation is likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business. If the Board determines that such an impact is likely to occur, the Board shall:
- (1) Insofar as practicable, consult with owners and officers of small businesses that are likely to be affected by the proposed regulation.
- (2) Consider methods to reduce the impact of the proposed regulation on small businesses.
- (3) Prepare a small business impact statement and make copies of the statement available to the public at the workshop conducted pursuant to paragraph (g) and the public hearing held pursuant to paragraph (h).
- (e) Shall ensure that a small business impact statement prepared pursuant to subparagraph (3) of paragraph (d) sets forth the following information:
- (1) A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.
- (2) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:
  - (I) Both adverse and beneficial effects; and
  - (II) Both direct and indirect effects.
- (3) A description of the methods that the Board considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the Board actually used any of those methods.
- (4) The estimated cost to the Board for enforcement of the proposed regulation.

- (5) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the Board expects to collect and the manner in which the money will be used.
- (f) Shall afford a reasonable opportunity for all interested persons to submit data, views or arguments upon the proposed regulation, orally or in writing.
- (g) Shall, before holding a public hearing pursuant to paragraph (h), conduct at least one workshop to solicit comments from interested persons on the proposed regulation. Not less than 15 days before the workshop, the Board shall provide notice of the time and place set for the workshop:
- (1) In writing to each person who has requested to be placed on a mailing list; and
- (2) In any other manner reasonably calculated to provide such notice to the general public and any business that may be affected by a proposed regulation which addresses the general topics to be considered at the workshop.
- (h) Shall set a time and place for an oral public hearing, but if no one appears who will be directly affected by the proposed regulation and requests an oral hearing, the Board may proceed immediately to act upon any written submissions. The Board shall consider fully all written and oral submissions respecting the proposed regulation.
- (i) Shall keep, retain and make available for public inspection written minutes of each public hearing held pursuant to paragraph (h) in the manner provided in subsections 1 and 2 of NRS 241.035.
- (j) May record each public hearing held pursuant to paragraph (h) and make those recordings available for public inspection in the manner provided in subsection 4 of NRS 241.035.
- (k) Shall ensure that a small business which is aggrieved by a regulation adopted pursuant to this subsection may object to all or a part of the regulation by filing a petition with the Board within 90 days after the date on which the regulation was adopted. Such petition may be based on the following:
- (1) The Board failed to prepare a small business impact statement as required pursuant to subparagraph (3) of paragraph (d); or
- (2) The small business impact statement prepared by the Board did not consider or significantly underestimated the economic effect of the regulation on small businesses.
- → After receiving a petition pursuant to this paragraph, the Board shall determine whether the petition has merit. If the Board determines that the petition has merit, the Board may, pursuant to this subsection, take action to amend the regulation to which the small business objected.

5. The determinations made by the Board pursuant to this section are conclusive unless it is shown that the Board acted with fraud or a gross abuse of discretion.

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

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 226.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 191.

SUMMARY—Enacts provisions governing certain policies of insurance, annuities **, benefit contracts** and retained asset accounts. (BDR 57-588)

AN ACT relating to insurance; requiring an insurer to request certain information from its insureds, annuity holders and retained asset account holders; requiring an insurer to perform a comparison of the insurer's life insurance policies, annuities , benefit contracts and retained asset accounts against the Death Master File from the Social Security Administration or other approved database; requiring an insurer to perform certain actions if a comparison with the Death Master File results in a match with an insured, annuity holder or retained asset account holder; requiring an insurer to notify the State Treasurer of certain unclaimed benefits which revert by escheat to the State and to transfer the unclaimed benefit to the State Treasurer; authorizing the Commissioner of Insurance to issue certain orders relating to certain duties of an insurer; providing that certain violations may constitute an unfair trade practice; and providing other matters properly relating thereto.

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

Existing law governs the business of conducting insurance in this State. (Title 57 of NRS) Existing law further regulates the duties of insurers who issue policies of life insurance and annuities in this State. (Chapter 688A of NRS) This bill sets forth new provisions concerning establishing the identity and death of an insured or beneficiary and the payment of death benefits under a policy of life insurance, annuity or retained asset account.

Sections [3] 2.5-6 of this bill define the terms "benefit contract," "Death Master File," "insured," "policy of life insurance" and "retained asset account" for the purposes of this bill. Section 7 of this bill requires an insurer, on or before the effective date of a life insurance policy \_, [or] annuity or benefit contract or on or before the date a retained asset account is

established, to request from its insureds, annuity contract holders and retained asset account holders sufficient information to ensure that all benefits are distributed to the correct person upon the death of the insured, annuity holder or retained asset account holder. [Section] With certain **exceptions, section 8** of this bill requires an insurer, at least semiannually, to perform a comparison of the names on the Death Master File from the Social Security Administration with its insureds' life insurance policies, annuities, **benefit contracts** and retained asset accounts to identify potential matches. If an insurer identifies a potential match through a search of the Death Master File, section 8 requires an insurer to: (1) make a reasonable effort to confirm the death of the insured, annuity holder or retained asset account holder; and (2) determine whether death benefits are due in accordance with the applicable policy or contract. If benefits are due, section 8 also requires an insurer to: (1) make a reasonable effort to locate each beneficiary; (2) provide each beneficiary with the appropriate claim forms and instructions that detail the procedure for making a claim; and (3) process any claims received accordingly. Section 9.3 of this bill requires an insurer to notify the State Treasurer upon the reversion by escheat of a benefit under a policy of life insurance or an annuity and transfer to the State Treasurer the unclaimed benefit as soon as practicable after providing notice. Section 9.5 of this bill authorizes the Commissioner of Insurance to issue certain orders modifying the duties of an insurer under the provisions of this bill. Section 9.7 provides that the failure of an insurer to comply with the provisions of this bill may constitute an unfair trade practice.

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

- **Section 1.** Title 57 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 10, inclusive, of this act.
- Sec. 2. As used in this chapter, unless the context otherwise requires, the words and terms defined in sections [3] 2.5 to 6, inclusive, of this act have the meanings ascribed to them in those sections.
- Sec. 2.5. <u>"Benefit contract" has the meaning ascribed to it in NRS 695A.003.</u>
- Sec. 3. "Death Master File" means the Death Master File from the Social Security Administration or any other database or service which is at least as comprehensive as the Death Master File from the Social Security Administration and which is acceptable to the Commissioner for determining that a person has reportedly died.
  - Sec. 4. "Insured" means:

- 1. A person covered by a policy of life insurance;
- 2. A holder of a retained asset account; for
- 3. An annuitant or other owner of an annuity, when the annuity provides for benefits to be paid or other money to be distributed upon the death of the annuitant or other owner of the annuity [+]; or
- 4. A person covered by a benefit contract under which contractual death benefits are payable to a beneficiary pursuant to NRS 695A.180.
- Sec. 5. 1. "Policy of life insurance" means any policy, contract or certificate of life insurance that provides a death benefit.
  - 2. The term does not include:
- (a) [Any policy or certificate of life insurance that provides a death benefit under an employee benefit program which is subject to the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002, as periodically amended or provided pursuant to any federal employee benefit program;
- $\frac{-(b)}{A}$  A policy or certificate of life insurance that is used to fund a preneed contract or sales agreement for funeral or burial services pursuant to chapter 689 of NRS; or
- <del>[(e)]</del> (b) A policy or certificate of credit life insurance or credit accident and health insurance pursuant to chapter 690A of NRS.
- Sec. 6. "Retained asset account" means any account or other mechanism by which the settlement of any proceeds payable under a policy of life insurance is accomplished by the insurer or a person acting on behalf of the insurer by depositing the proceeds into an account with draft or check writing privileges, where the proceeds are retained by the insurer, pursuant to a supplementary contract not involving annuity benefits.
- Sec. 6.5. The provisions of this chapter do not apply to any policy of life insurance, annuity or benefit contract that is used to fund or otherwise provide a death benefit under an employee benefit program which is subject to the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et sea.
- Sec. 7. On or before the effective date of a policy of life insurance, [or] annuity or benefit contract or on or before the date of the establishment of a retained asset account, and upon any change in an insured, an owner or a beneficiary, an insurer shall request information sufficient to ensure that all benefits are distributed to the appropriate beneficiary upon the death of the insured. [, including, without limitation, the name, address, social security number, date of birth and telephone number of the insured and each beneficiary, as applicable.]
- Sec. 8. 1. [Each] Except as otherwise provided by order of the Commissioner pursuant to section 9.5 of this act, each insurer shall, at least semiannually, for the purpose of paying death benefits to a

<u>beneficiary</u>, perform a comparison against the Death Master File of the policies of life insurance, annuities , <u>benefit contracts</u> and retained asset accounts of its insureds <u>[-]</u> whose contracts are in force at the time the insurer performs the comparison.

- 2. [If an insurer only has the partial name, social security number or date of birth, or a combination thereof, of an insured, the insurer shall use the available information to perform the comparison pursuant to subsection 1.
- —3.1 Each insurer shall implement reasonable procedures to account for common variations in data that may otherwise preclude an exact match with the Death Master File.
- [4.] 3. Within 90 days after identifying a potential match resulting from a comparison of the Death Master File performed pursuant to subsection 1, the insurer shall:
- (a) Make a reasonable effort to confirm the death of the insured against any other available records and information; [and]
- (b) <u>Determine whether the deceased insured had purchased any other products of the insurer; and</u>
- <u>(c)</u> Determine whether death benefits are due in accordance with the applicable policy of life insurance, [or] annuity [-
  - 5.] or benefit contract and, if death benefits are due:
    - (1) Make a reasonable effort to locate each beneficiary; and
- (2) Provide to each beneficiary who is located the appropriate claim forms and instructions for making a claim under the policy of life insurance, annuity or benefit contract.
- (a) Make a reasonable effort to locate each beneficiary;
- -(b) Keep] keep a complete record of all efforts made to locate each beneficiary. [; and
- -(e) Provide to each beneficiary the appropriate claim forms and instructions for making a claim under the policy of life insurance or annuity.
- <u>-6.]</u> 5. The insurer shall process all claims and make prompt payments in accordance with NRS 686A.310, 688A.140, 688A.410 and 688B.100 and chapter 695A of NRS, as applicable, and any regulations adopted or order issued by the Commissioner.
- [7.] 6. If an insurer is unable to locate a beneficiary pursuant to this section, but is otherwise able to reasonably determine the death of an insured and determine that a death benefit is due in accordance with the applicable policy of life insurance, for annuity [,] or benefit contract, the

death benefit, [to the extent it is property pursuant to NRS 120A.113,] other than a death benefit payable pursuant subsection 3 of NRS 695A.210, shall be deemed abandoned pursuant to NRS 120A.500.

- [8.] 7. To the extent permitted by law, the insurer may disclose minimum necessary personal information about the insured or beneficiary to a person who the insurer reasonably believes may be able to assist the insurer in locating the beneficiary or a person otherwise entitled to payment of the claims proceeds.
- [9.] 8. With respect to a policy of group life insurance delivered or issued for delivery pursuant to chapter 688B of NRS, an insurer is required to confirm the possible death of an insured pursuant to this chapter if the insurer maintains at least the following information for the insured under such a policy:
  - (a) Social security number or name and date of birth;
  - (b) Beneficiary designation information;
  - (c) Coverage eligibility;
  - (d) Benefit amount; and
  - (e) Premium payment status.
- Sec. 9. An insurer shall not charge or collect from an insured or a beneficiary any fees or costs associated with any search or verification conducted pursuant to this chapter.
- Sec. 9.3. <u>1. An insurer shall notify the State Treasurer upon the reversion by escheat of a benefit under a policy of life insurance or an annuity. The notice must state that:</u>
- (a) The beneficiary under the policy or annuity has failed to submit a claim with the insurer; and
- (b) The insurer has complied with section 8 of this act and, after a good faith effort which has been documented pursuant to section 8 of this act, has been unable to contact any beneficiary of the policy or annuity.
- 2. As soon as practicable after providing notice pursuant to subsection 1, an insurer shall transfer to the State Treasurer the amount of the unclaimed benefit owed under the policy of life insurance or annuity, including any accrued interest thereon.
- 3. The provisions of this section do not apply to a death benefit which vests under a benefit contract and which is payable pursuant to subsection 3 of NRS 695A.210.
- Sec. 9.5. <u>The Commissioner may, after notice and a hearing, issue an order:</u>
- 1. Authorizing an insurer to limit its comparison against the Death Master File pursuant to section 8 of this act to its files that are searchable electronically.

- 2. Approving a timeline by which an insurer must convert its files into a form that is searchable electronically.
- 3. Exempting an insurer from any requirement of section 8 of this act, including authorizing an insurer to perform a comparison against the Death Master File less frequently than semiannually, upon a demonstration of financial hardship by the insurer.
- 4. Approving the plan of an insurer to comply with the requirements of this chapter during the period and in the manner set forth in the plan.
- Sec. 9.7. Except as otherwise provided in section 9.5 of this act, the failure of an insurer to comply with any provision of this chapter may constitute an unfair trade practice for the purposes of chapter 686A of NRS.
- Sec. 10. The Commissioner may adopt regulations to carry out the provisions of this chapter. [, including, without limitation, regulations to assist a person in locating unclaimed life insurance benefits.]
- Sec. 11. [The amendatory provisions of this act do not apply to an agreement by the Commissioner with an insurer, entered into before January 1, 2014, regarding unclaimed life insurance benefits originating under:
- 1. A policy of life insurance;
- 2. An annuity;
- 3. A retained asset account:
- 4. A certificate issued under a policy of life insurance or an annuity; or
- 5. A certificate issued to a fraternal benefit society pursuant to chapter 695A of NRS under which benefits are payable upon the death of an insured.] (Deleted by amendment.)
  - Sec. 12. This act becomes effective on [January] July 1, 2014.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 244.

Bill read second time and ordered to third reading.

Assembly Bill No. 283.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 414.

AN ACT relating to public works; extending the authority for the Department of Transportation to contract with a construction manager at risk for the construction, reconstruction, improvement and maintenance of highways on and after July 1, 2013; amending certain

requirements governing contractors involved in public works; amending certain requirements governing bidding for public works when a public body decides to contract with a construction manager at risk; and providing other matters properly relating thereto.

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

Existing law requires a person who serves as a contractor on a public work to be licensed. (NRS 338.010) **Section 2** of this bill limits that requirement so that a person who performs work that does not otherwise require licensure is not required to be licensed to provide services on a public work.

[Sections] Existing law requires certain prime contractors who submit bids for a public work to include with the bid a list that discloses the first tier subcontractors who will perform a certain portion of the work on the public work. (NRS 338.141) Section 6 [and 11] of this bill [require] amends the provisions prescribing which subcontractors must be named on the list. Section 6 also requires the prime contractor for a public work, who is the contractor who contracts for and coordinates all of the work performed for an entire public work project, to be included to include on the list I that is required to be submitted with the bid which discloses the first tier subcontractors who will perform a significant portion of the work on the project and require the prime contract to perform a certain percentage of the work for the project. Section 6 further limits the amount that a prime contractor may use to pay for materials that are not directly associated with work that will actually be performed by the prime contractor. Section 8 of this bill requires any proposal for a public work to include a statement that the prime contractor will meet these requirements.]: (1) a description of the labor or portion of the work that the prime contractor will perform; or (2) a statement that the prime contractor will perform all work other than that being performed by a subcontractor named on the list.

Existing law allows a public body to contract with a construction manager at risk, which is a construction manager who is required to construct a public work within a guaranteed maximum price, a fixed price or a fixed price plus reimbursement for certain costs. (NRS 338.169, 338.1696) Section [7] 8 of this bill [limits the authorization of a public body to contract with a construction manager at risk for a discrete project to situations where: (1) the public body has approved the use of a construction manager at risk for the design and construction of the project; and (2) the estimated cost of the project is over \$5,000,000.] requires a proposal for a construction manager at risk to include an explanation of the experience that the applicant has as a construction manager at risk. Section 10 of this bill requires a construction manager at risk who has entered into a contract with a public body for services related to construction that are provided before actual construction begins to [select each subcontractor] provide to the

public body, before entering [negotiations] into a contract for construction of the public work [...], a list of the labor or portions of the work which are estimated by the construction manager at risk to exceed a certain percentage of the estimated cost of the public work.

Existing law requires a public body to appoint a panel of at least three persons, with at least two having experience in the construction industry, to rank proposals and interview the top applicants for a public work. (NRS 338.1693) **Section 9** of this bill limits such a panel to seven members and requires that a majority of the panel have experience in the construction industry . [and prohibits members of such a panel from being employed by the public body.] **Section 9** also [requires] authorizes the public body to appoint another panel, similarly comprised, to interview the top applicants.

Section 11 of this bill provides that if a public work involves predominantly horizontal construction, a construction manager at risk who enters into a contract for the construction of the public work shall perform construction work equal in value to at least 25 percent of the estimated cost of construction himself or herself, or using his or her own employees. Section 2 of this bill defines the term "horizontal construction."

**Sections 12 and 13** of this bill modify requirements governing the procedure that a construction manager at risk is required to use when selecting and contracting with subcontractors.

Under existing law, the Department of Transportation may award a contract for the construction, reconstruction, improvement and maintenance of a highway to a construction manager at risk on or before June 30, 2013. Section 5 of this bill authorizes the Department of Transportation to contract with a construction manager at risk for the construction, reconstruction, improvement and maintenance of highways on and after July 1, 2013.

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

**Section 1.** Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

The Legislature hereby declares that the provisions of this section and NRS 338.169 to 338.1695, inclusive, relating to contracts involving construction managers at risk, are intended to promote public confidence and trust in the contracting and bidding procedures for public works established therein and, for the benefit of the public, to promote the philosophy of obtaining the best possible value as compared to low-bid contracting.

- **Sec. 2.** NRS 338.010 is hereby amended to read as follows:
- 338.010 As used in this chapter:
- 1. "Authorized representative" means a person designated by a public body to be responsible for the development, solicitation, award or administration of contracts for public works pursuant to this chapter.
- 2. "Contract" means a written contract entered into between a contractor and a public body for the provision of labor, materials, equipment or supplies for a public work.
  - 3. "Contractor" means:
  - (a) A person who [is]:
    - (1) Is licensed pursuant to the provisions of chapter 624 of NRS [.]; or
- (2) Performs such work that the person is not required to be licensed pursuant to the provisions of chapter 624 of NRS; or
  - (b) A design-build team.
- 4. "Day labor" means all cases where public bodies, their officers, agents or employees, hire, supervise and pay the wages thereof directly to a worker or workers employed by them on public works by the day and not under a contract in writing.
- 5. "Design-build contract" means a contract between a public body and a design-build team in which the design-build team agrees to design and construct a public work.
  - 6. "Design-build team" means an entity that consists of:
- (a) At least one person who is licensed as a general engineering contractor or a general building contractor pursuant to chapter 624 of NRS; and
  - (b) For a public work that consists of:
- (1) A building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS.
- (2) Anything other than a building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS or landscape architecture pursuant to chapter 623A of NRS or who is licensed as a professional engineer pursuant to chapter 625 of NRS.
  - 7. "Design professional" means:
- (a) A person who is licensed as a professional engineer pursuant to chapter 625 of NRS;
- (b) A person who is licensed as a professional land surveyor pursuant to chapter 625 of NRS;
- (c) A person who holds a certificate of registration to engage in the practice of architecture, interior design or residential design pursuant to chapter 623 of NRS;
- (d) A person who holds a certificate of registration to engage in the practice of landscape architecture pursuant to chapter 623A of NRS; or

- (e) A business entity that engages in the practice of professional engineering, land surveying, architecture or landscape architecture.
- 8. "Division" means the State Public Works Division of the Department of Administration.
  - 9. "Eligible bidder" means a person who is:
- (a) Found to be a responsible and responsive contractor by a local government or its authorized representative which requests bids for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373; or
- (b) Determined by a public body or its authorized representative which awarded a contract for a public work pursuant to NRS 338.1375 to 338.139, inclusive, to be qualified to bid on that contract pursuant to NRS 338.1379 or 338.1382.
- 10. "General contractor" means a person who is licensed to conduct business in one, or both, of the following branches of the contracting business:
- (a) General engineering contracting, as described in subsection 2 of NRS 624.215.
- (b) General building contracting, as described in subsection 3 of NRS 624.215.
- 11. "Governing body" means the board, council, commission or other body in which the general legislative and fiscal powers of a local government are vested.
- 12. "Horizontal construction" means the construction of any fixed work, including any irrigation, drainage, water supply, flood control, harbor, railroad, highway, tunnel, airport or airway, sewer or sewage disposal system, bridge, inland waterway, pipeline for the transmission of petroleum or any other liquid or gaseous substance, pier, and work incidental thereto. The term does not include vertical construction, the construction of any terminal or other building of an airport or airway, or the construction of any sewage plant, pump, transfer station or other building.
- 13. "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, 379, 474, 538, 541, 543 and 555 of NRS, NRS 450.550 to 450.750, inclusive, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision. The term includes a person who has been designated by the governing body of a local government to serve as its authorized representative.

- [13.] 14. "Offense" means failing to:
- (a) Pay the prevailing wage required pursuant to this chapter;
- (b) Pay the contributions for unemployment compensation required pursuant to chapter 612 of NRS;
- (c) Provide and secure compensation for employees required pursuant to chapters 616A to 617, inclusive, of NRS; or
  - (d) Comply with subsection 4 or 5 of NRS 338.070.
  - [14.] 15. "Prime contractor" means a contractor who:
  - (a) Contracts to construct an entire project;
  - (b) Coordinates all work performed on the entire project;
- (c) Uses his or her own workforce to perform all or a part of the public work; and
- (d) Contracts for the services of any subcontractor or independent contractor or is responsible for payment to any contracted subcontractors or independent contractors.
- → The term includes, without limitation, a general contractor or a specialty contractor who is authorized to bid on a project pursuant to NRS 338.139 or 338.148.
- [15.] 16. "Public body" means the State, county, city, town, school district or any public agency of this State or its political subdivisions sponsoring or financing a public work.
- [16.] 17. "Public work" means any project for the new construction, repair or reconstruction of:
  - (a) A project financed in whole or in part from public money for:
  - (1) Public buildings;
  - (2) Jails and prisons;
  - (3) Public roads;
  - (4) Public highways;
  - (5) Public streets and alleys;
  - (6) Public utilities:
  - (7) Publicly owned water mains and sewers;
  - (8) Public parks and playgrounds;
- (9) Public convention facilities which are financed at least in part with public money; and
  - (10) All other publicly owned works and property.
- (b) A building for the Nevada System of Higher Education of which 25 percent or more of the costs of the building as a whole are paid from money appropriated by this State or from federal money.
- [17.] 18. "Specialty contractor" means a person who is licensed to conduct business as described in subsection 4 of NRS 624.215.

- [18.] 19. "Stand-alone underground utility project" means an underground utility project that is not integrated into a larger project, including, without limitation:
- (a) An underground sewer line or an underground pipeline for the conveyance of water, including facilities appurtenant thereto; and
- (b) A project for the construction or installation of a storm drain, including facilities appurtenant thereto,
- → that is not located at the site of a public work for the design and construction of which a public body is authorized to contract with a design-build team pursuant to subsection 2 of NRS 338.1711.
  - [19.] 20. "Subcontract" means a written contract entered into between:
  - (a) A contractor and a subcontractor or supplier; or
  - (b) A subcontractor and another subcontractor or supplier,
- → for the provision of labor, materials, equipment or supplies for a construction project.
  - [20.] 21. "Subcontractor" means a person who:
- (a) Is licensed pursuant to the provisions of chapter 624 of NRS or performs such work that the person is not required to be licensed pursuant to chapter 624 of NRS; and
- (b) Contracts with a contractor, another subcontractor or a supplier to provide labor, materials or services for a construction project.
- [21.] 22. "Supplier" means a person who provides materials, equipment or supplies for a construction project.
- 23. "Vertical construction" means the construction or remodeling of any building , for structure or other improvement that is predominantly vertical, including, without limitation, a building, structure or improvement for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, and fof any structure not specified in subsection 12.] improvement appurtenant thereto.
  - [22.] **24.** "Wages" means:
  - (a) The basic hourly rate of pay; and
- (b) The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training or other similar programs or other bona fide fringe benefits which are a benefit to the worker.
- [23.] 25. "Worker" means a skilled mechanic, skilled worker, semiskilled mechanic, semiskilled worker or unskilled worker in the service of a contractor or subcontractor under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed. The term does not include a design professional.
  - **Sec. 3.** NRS 338.018 is hereby amended to read as follows:
- 338.018 The provisions of NRS 338.013 to 338.018, inclusive, apply to any contract for construction work of the Nevada System of Higher

Education for which the estimated cost exceeds \$100,000 even if the construction work does not qualify as a public work, as defined in subsection [16] 17 of NRS 338.010.

- **Sec. 4.** NRS 338.075 is hereby amended to read as follows:
- 338.075 The provisions of NRS 338.020 to 338.090, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds \$100,000 even if the construction work does not qualify as a public work, as defined in subsection [16] 17 of NRS 338.010.
  - **Sec. 5.** NRS 338.1373 is hereby amended to read as follows:
- 338.1373 1. A local government or its authorized representative shall award a contract for a public work pursuant to the provisions of NRS 338.1415 and:
  - (a) NRS 338.1377 to 338.139, inclusive;
  - (b) NRS 338.143 to 338.148, inclusive;
  - (c) NRS 338.169 to 338.16995, inclusive  $\frac{1}{12}$ , and section 1 of this act; or
  - (d) NRS 338.1711 to 338.173, inclusive.
- 2. The provisions of NRS 338.1375 to 338.1382, inclusive, 338.1386, 338.13862, 338.13864, 338.139, 338.142 [, 338.169 to 338.1695, inclusive, and section 1 of this act,] and 338.1711 to 338.1727, inclusive, do not apply with respect to contracts for the construction, reconstruction, improvement and maintenance of highways that are awarded by the Department of Transportation pursuant to NRS 408.201 and 408.313 to 408.433, inclusive.
  - **Sec. 6.** NRS 338.141 is hereby amended to read as follows:
- 338.141 1. Except as otherwise provided in NRS 338.1727, each bid submitted to a public body for any public work to which paragraph (a) of subsection 1 of NRS 338.1385 or paragraph (a) of subsection 1 of NRS 338.143 applies, must include:
- (a) If the public body provides a list of the labor or portions of the public work which are estimated by the public body to exceed 3 percent of the estimated cost of the public work, the name of each first tier subcontractor who will provide such labor or portion of the work on the public work which is estimated to exceed 3 percent of the estimated cost of the public work; or
- (b) If the public body does not provide a list of the labor or portions of the public work which are estimated by the public body to exceed 3 percent of the estimated cost of the public work, the name of each first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will be paid an amount exceeding 5 percent of the prime contractor's total bid. If the bid is submitted pursuant to this paragraph, within 2 hours after the completion of the opening of the bids, the contractors who submitted the three lowest bids must submit a list containing [the]:

- (1) *The* name of each first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will be paid an amount exceeding \$250,000.
- (2) If any one of the contractors who submitted one of the three lowest bids will employ a first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will not be paid an amount exceeding \$250,000, the name of each first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will be paid 1 percent of the prime contractor's total bid or \$50,000, whichever is greater. [, and]
- (3) For each first tier subcontractor [who will provide labor or a portion of the work on the public work to the prime contractor,] whose name is listed pursuant to subparagraph (1) or (2), the number of the license issued to the first tier subcontractor pursuant to chapter 624 of NRS.
- 2. The lists required by subsection 1 must include a description of the labor or portion of the work which each first tier subcontractor named in the list will provide to the prime contractor.
- 3. A prime contractor shall include his or her name on a list required by paragraph (a) or (b) of subsection 1. [if, as the prime contractor,] If the prime contractor will perform any [of the] work [required to be] which is more than 1 percent of the prime contractor's total bid and which is not being performed by a subcontractor listed pursuant to paragraph (a) or (b) of subsection 1 [.], the prime contractor shall also include on the list [a]:
- <u>(a)</u> A description of the labor or portion of the work that the prime contractor will perform  $\frac{1}{H}$ ; or
- (b) A statement that the prime contractor will perform all work other than that being performed by a subcontractor listed pursuant to paragraph (a) or (b) of subsection 1.
  - 4. Except as otherwise provided in this subsection, if a contractor:
  - (a) Fails to submit the list within the required time; or
- (b) Submits a list that includes the name of a subcontractor who, at the time of the submission of the list, is on disqualified status with the Division pursuant to NRS 338.1376,
- the contractor's bid shall be deemed not responsive. A contractor's bid shall not be deemed not responsive on the grounds that the contractor submitted a list that includes the name of a subcontractor who, at the time of the submission of the list, is on disqualified status with the Division pursuant to NRS 338.1376 if the contractor, before the award of the contract, provides an acceptable replacement subcontractor in the manner set forth in subsection 1 or 2 of NRS 338.13895.

- 5. A prime contractor shall not substitute a subcontractor for any subcontractor who is named in the bid, unless:
- (a) The public body or its authorized representative objects to the subcontractor, requests in writing a change in the subcontractor and pays any increase in costs resulting from the change.
- (b) The substitution is approved by the public body or its authorized representative. The substitution must be approved if the public body or its authorized representative determines that:
- (1) The named subcontractor, after having a reasonable opportunity, fails or refuses to execute a written contract with the contractor which was offered to the named subcontractor with the same general terms that all other subcontractors on the project were offered;
  - (2) The named subcontractor files for bankruptcy or becomes insolvent;
- (3) The named subcontractor fails or refuses to perform his or her subcontract within a reasonable time or is unable to furnish a performance bond and payment bond pursuant to NRS 339.025; or
- (4) The named subcontractor is not properly licensed to provide that labor or portion of the work.
- (c) If the public body awarding the contract is a governing body, the public body or its authorized representative, in awarding the contract pursuant to NRS 338.1375 to 338.139, inclusive:
- (1) Applies such criteria set forth in NRS 338.1377 as are appropriate for subcontractors and determines that the subcontractor does not meet that criteria; and
  - (2) Requests in writing a substitution of the subcontractor.
- 6. If a prime contractor substitutes a subcontractor for any subcontractor who is named in the bid without complying with the provisions of subsection 5, the prime contractor shall forfeit, as a penalty to the public body that awarded the contract, an amount equal to 1 percent of the total amount of the contract.
- 7. If a prime contractor, [indicated pursuant to subsection 3 that he or she would perform a portion of work on the public work and,] after the submission of the bid, substitutes a subcontractor to perform [such work,] the work indicated pursuant to subsection 3 that the prime contractor would perform, the prime contractor shall forfeit as a penalty to the public body that awarded the contract, the lesser of, and excluding any amount of the contract that is attributable to change orders:
  - (a) An amount equal to 2.5 percent of the total amount of the contract; or
- (b) An amount equal to 35 percent of the estimate by the engineer of the cost of the work the prime contractor indicated pursuant to subsection 3 that he or she would perform on the public work.
  - 8. [A prime contractor shall perform:

- (a) With respect to a public work that involves predominantly horizontal construction, construction work equal in value to at least 50 percent of his or her total bid. Not more than 30 percent of the cost of the construction work required by this paragraph to be performed by the prime contractor may be used to pay for material that is not directly associated with work which will actually be performed by the prime contractor.
- (b) With respect to a public work that involves predominantly vertical construction, construction work equal in value to at least 15 percent of his or her total bid. Not more than 50 percent of the cost of the construction work required by this paragraph to be performed by the prime contractor may be used to pay for material that is not directly associated with work which will actually be performed by the prime contractor.
  - **9.1** As used in this section:
- (a) "First tier subcontractor" means a subcontractor who contracts directly with a prime contractor to provide labor, materials or services for a construction project.
- (b) "General terms" means the terms and conditions of a contract that set the basic requirements for a public work and apply without regard to the particular trade or specialty of a subcontractor, but does not include any provision that controls or relates to the specific portion of the public work that will be completed by a subcontractor, including, without limitation, the materials to be used by the subcontractor or other details of the work to be performed by the subcontractor.
  - Sec. 7—INRS 338.169 is hereby amended to read as follows:
- 338.169 1. A public body may construct a public work by:
- -[1.] (a) Selecting a construction manager at risk pursuant to the provisions of NRS 338.1691 to 338.1696, inclusive; and
- -[2.] (b) Entering into separate contracts with a construction manager at risk:
- = \(\(\frac{1}{4}\)\)\ For preconstruction services, including, without limitation:
- -[(1)] (I) Assisting the public body in determining whether scheduling or constructability problems exist that would delay the construction of the public work;
- -[(2)] (II) Estimating the cost of the labor and material for the public work: and
- = [(3)] (III) Assisting the public body in determining whether the public work can be constructed within the public body's budget; and
- -[(b)] (2) To construct the public work.
- 2. A public body may contract with a construction manager at risk for the design and construction of a public work that is a discrete project only if:

- (a) The public body has approved the use of a construction manager at risk for the design and construction of the public work; and
- (b) The public work has an estimated cost which exceeds \$5,000,000.] (Deleted by amendment.)
  - **Sec. 8.** NRS 338.1692 is hereby amended to read as follows:
- 338.1692 1. A public body or its authorized representative shall advertise for proposals for a construction manager at risk in a newspaper qualified pursuant to chapter 238 of NRS that is published in the county where the public work will be performed. If no qualified newspaper is published in the county where the public work will be performed, the required advertisement must be published in some qualified newspaper that is printed in the State of Nevada and has a general circulation in the county.
- 2. A request for proposals published pursuant to subsection 1 must include, without limitation:
  - (a) A description of the public work;
  - (b) An estimate of the cost of construction;
- (c) A description of the work that the public body expects a construction manager at risk to perform;
- (d) The dates on which it is anticipated that the separate phases of the preconstruction and construction of the public work will begin and end;
  - (e) The date by which proposals must be submitted to the public body;
- (f) If the project is a public work of the State, a statement setting forth that the construction manager at risk must be qualified to bid on a public work of the State pursuant to NRS 338.1379 before submitting a proposal;
- (g) The name, title, address and telephone number of a person employed by the public body that an applicant may contact for further information regarding the public work;
- (h) A list of the selection criteria and relative weight of the selection criteria that will be used to evaluate proposals; and
- (i) A notice that the proposed form of the contract to assist in the preconstruction of the public work or to construct the public work, including, without limitation, the terms and general conditions of the contract, is available from the public body.
  - 3. A proposal must include, without limitation:
- (a) An explanation of the experience that the applicant has with projects of similar size and scope in both the public and private sectors, including, without limitation, an explanation of the experience that the applicant has in assisting in the design of such projects and an explanation of the experience that the applicant has in such projects in Nevada;
- (b) An explanation of the experience that the applicant has as a construction manager at risk;

- <u>(c)</u> The contact information for references who have knowledge of the background, character and technical competence of the applicant;
- (e) <u>(d)</u> Evidence of the ability of the applicant to obtain the necessary bonding for the work to be required by the public body;
- [(d)] (e) Evidence that the applicant has obtained or has the ability to obtain such insurance as may be required by law;
  - [(e)] (f) A statement of whether the applicant has been:
- (1) Found liable for breach of contract with respect to a previous project, other than a breach for legitimate cause, during the 5 years immediately preceding the date of the advertisement for proposals; and
- (2) Disqualified from being awarded a contract pursuant to NRS 338.017, 338.13895, 338.1475 or 408.333;
- **[(f)]** (g) The professional qualifications and experience of the applicant, including, without limitation, the resume of any employee of the applicant who will be managing the preconstruction and construction of the public work;
- $\frac{\{(g)\}}{(h)}$  The safety programs established and the safety records accumulated by the applicant;
- $\frac{(h)}{(i)}$  Evidence that the applicant is licensed as a contractor pursuant to chapter 624 of NRS;
- [(i)] (j) The proposed plan of the applicant to manage the preconstruction and construction of the public work which sets forth in detail the ability of the applicant to provide preconstruction services and to construct the public work [;] and [, including] which includes, if the public work involves predominantly horizontal construction, a statement that the applicant will perform [;
- (1) With respect to a public work that involves predominantly horizontal construction, construction work equal in value to at least [50] 25 percent of the estimated cost of construction; [. Not more than 30 percent of the cost of the construction work required by this subparagraph to be performed by the applicant may be used to pay for material that is not directly associated with work which will actually be performed by the applicant; and
- (2) With respect to a public work that involves predominantly horizontal construction, construction work equal in value to at least 15 percent of the estimated cost of construction. Not more than 50 percent of the cost of the construction work required by this subparagraph to be performed by the applicant may be used to pay for material that is not directly associated with work which will actually be performed by the applicant; I and
- $\underline{\{(j)\}}$  (<u>k</u>) If the project is for the design of a public work of the State, evidence that the applicant is qualified to bid on a public work of the State pursuant to NRS 338.1379.

- **Sec. 9.** NRS 338.1693 is hereby amended to read as follows:
- 338.1693 1. The public body or its authorized representative shall appoint a panel consisting of at least three but not more than seven members, [at least two] a majority of whom must have experience in the construction industry, to rank the proposals submitted to the public body by evaluating the proposals as required pursuant to subsections 2 and 3. [The panel must consist of at least three but not more than seven members, a majority of whom:
- (a) Must have experience in the construction industry; and
- (b) Must not be employed by the public body constructing the public work.]
- 2. The panel *appointed pursuant to subsection 1* shall rank the proposals by:
- (a) Verifying that each applicant satisfies the requirements of NRS 338.1691; and
- (b) Evaluating and assigning a score to each of the proposals received by the public body based on the factors and relative weight assigned to each factor that the public body specified in the request for proposals.
- 3. When ranking the proposals, the panel *appointed pursuant to subsection 1* shall assign a relative weight of 5 percent to the applicant's possession of a certificate of eligibility to receive a preference in bidding on public works if the applicant submits a signed affidavit that meets the requirements of subsection 1 of NRS 338.0117. If any federal statute or regulation precludes the granting of federal assistance or reduces the amount of that assistance for a particular public work because of the provisions of this subsection, those provisions of this subsection do not apply insofar as their application would preclude or reduce federal assistance for that work.
- 4. After the panel *appointed pursuant to subsection 1* ranks the proposals, the public body or its authorized representative shall, except as otherwise provided in subsection [5,] 8, select at least the two but not more than the five applicants whose proposals received the highest scores for interviews.
- 5. The public body or its authorized representative [shall] may appoint a separate panel to interview and rank the applicants selected pursuant to subsection 4. [The] If a separate panel is appointed pursuant to this subsection, the panel must consist of at least three but not more than seven members, a majority of whom [+]:
- -(a) Must] must have experience in the construction industry . [; and
- (b) Must not be employed by the public body constructing the public work.]
- 6. During the interview process, the [public body or its authorized representative] panel [appointed pursuant to subsection 5] conducting the

<u>interview</u> may require the applicants to submit a preliminary proposed amount of compensation for managing the preconstruction and construction of the public work, but in no event shall the proposed amount of compensation exceed 20 percent of the scoring for the selection of the most qualified applicant. All presentations made at any interview conducted pursuant to this subsection or subsection 5 may be made only by fone senior managers key personnel employed by the applicant, as determined by the applicant, and the employees of the applicant who will be directly responsible for managing the preconstruction and construction of the public work.

- 7. After conducting such interviews, the panel [appointed pursuant to subsection 5] that conducted the interviews shall rank the applicants by using a ranking process that is separate from the process used to rank [proposals] the applicants pursuant to subsection 2 [H] and is based only on information submitted during the interview process. The score to be given for the proposed amount of compensation, if any, must be calculated by dividing the lowest of all the proposed amounts of compensation by the applicant's proposed amount of compensation multiplied by the total possible points available to each applicant.
- [5.] When ranking the applicants, the panel that conducted the interviews shall assign a relative weight of 5 percent to the applicant's possession of a certificate of eligibility to receive a preference in bidding on public works if the applicant submits a signed affidavit that meets the requirements of subsection 1 of NRS 338.0117.
- 8. If the public body did not receive at least two proposals, the public body may not contract with a construction manager at risk.
- [6.] 9. Upon receipt of the final rankings of the applicants from the panel [,] fappointed pursuant to subsection 5,] that conducted the interviews, the public body or its authorized representative shall enter into negotiations with the most qualified applicant determined pursuant to [subsections 2, 3 and 4] the provisions of this section for a contract for preconstruction services, unless the public body required the submission of a proposed amount of compensation, in which case the proposed amount of compensation submitted by the applicant must be the amount offered for the contract. If the public body or its authorized representative is unable to negotiate a contract with the most qualified applicant for an amount of compensation that the public body or its authorized representative and the most qualified applicant determine to be fair and reasonable, the public body or its authorized representative shall terminate negotiations with that applicant. The public body or its authorized representative may then undertake negotiations with the next most qualified applicant in sequence until an agreement is reached and, if the negotiation is undertaken by an authorized representative of the

public body, approved by the public body or until a determination is made by the public body to reject all applicants.

- [7.] 10. The public body or its authorized representative shall make available to all applicants and the public the final rankings of the applicants, as determined by the panel [appointed pursuant to subsection 5,] that conducted the interviews, and shall provide, upon request, an explanation to any unsuccessful applicant of the reasons why the applicant was unsuccessful.
  - **Sec. 10.** NRS 338.1696 is hereby amended to read as follows:
- 338.1696 1. If a public body enters into a contract with a construction manager at risk for preconstruction services pursuant to NRS 338.1693, after the public body has finalized the design for the public work, or any portion thereof sufficient to determine the provable cost of that portion, the public body shall enter into negotiations with the construction manager at risk for a contract to construct the public work or the portion thereof for the public body for:
  - (a) The cost of the work, plus a fee, with a guaranteed maximum price;
  - (b) A fixed price; or
- (c) A fixed price plus reimbursement for overhead and other costs and expenses related to the construction of the public work or portion thereof.
- 2. [Before entering into negotiations with the construction manager at risk for a contract to construct a public work or a portion thereof pursuant to subsection 1, the public body shall provide the construction manager at risk with a list of the labor or portions of the work which are estimated by the public body to exceed 3 percent of the estimated cost of the public work.

  3. Before entering into negotiations with the public body for a contract to construct the public work or a portion thereof, the construction manager at risk shall select each subcontractor who is to provide labor or a portion of the work which is estimated to exceed 3 percent of the estimated cost of the public work in accordance with NRS 338.16991 and 338.16995 and provide the names of each selected subcontractor to the public body. A public body shall not interfere with the right of the construction manager at risk to select the subcontractor whom the construction manager at risk determines to have submitted the best proposal pursuant to NRS 338.16995.
- —4.] If the public body is unable to negotiate a satisfactory contract with the construction manager at risk to construct the public work or portion thereof, the public body shall terminate negotiations with that applicant and:
  - (a) May award the contract for the public work:
- (1) If the public body is not a local government, pursuant to the provisions of NRS 338.1377 to 338.139, inclusive.

- (2) If the public body is a local government, pursuant to the provisions of NRS 338.1377 to 338.139, inclusive, or 338.143 to 338.148, inclusive; and
- (b) Shall accept a bid to construct the public work from the construction manager at risk with whom the public body entered into a contract for preconstruction services.
- 3. Before entering into a contract with the public body to construct a public work or a portion thereof pursuant to subsection 1, the construction manager at risk shall:
- (a) Provide the public body with a list of the labor or portions of the work which are estimated by the construction manager at risk to exceed 1 percent of the estimated cost of the public work; and
- (b) Select each subcontractor who is to provide labor or a portion of the work which is estimated by the construction manager at risk to exceed 1 percent of the estimated cost of the public work in accordance with NRS 338.16991 and 338.16995 and provide the names of each selected subcontractor to the public body.
- 4. Except as otherwise provided in subsection 5 of NRS 338.141, a public body shall not interfere with the right of the construction manager at risk to select the subcontractor whom the construction manager at risk determines to have submitted the best proposal pursuant to NRS 338.16995.
  - **Sec. 11.** NRS 338.16985 is hereby amended to read as follows:
- 338.16985 A construction manager at risk who enters into a contract for the construction of a public work pursuant to NRS 338.1696:
- 1. Is responsible for contracting for the services of any necessary subcontractor, supplier or independent contractor necessary for the construction of the public work and for the performance of and payment to any such subcontractors, suppliers or independent contractors.
- 2. If the public work involves [the] predominantly horizontal construction, [of a fixed work that is described in subsection 2 of NRS 624.215,] shall perform [not less than 25] construction work equal in value to at least [50] 25 percent of the estimated cost of construction [of the fixed work] himself or herself, or using his or her own employees. [Not more than 30 percent of the cost of the construction work required by this subsection to be performed by the construction manager at risk, or his or her own employees, may be used to pay for material that is not directly associated with work that will actually be performed by the construction manager at risk, or his or her employees.]
- 3. If the public work involves [the] predominantly vertical construction, [of a building or structure that is described in subsection 3 of NRS 624.215,] may [f. shall] perform [teonstruction work equal in value to at least 15] percent of the estimated cost of construction] himself or herself [f.] or using

his or her own employees [A] as much of the construction of the building or structure that the construction manager at risk is able to demonstrate that the construction manager at risk or his or her own employees have performed on similar projects. [Not more than 50 percent of the construction work required by this subsection to be performed by the construction manager at risk, or his or her own employees, may be used to pay for material that is not directly associated with work which will actually be performed by the construction manager at risk, or his or her employees.]

**Sec. 12.** NRS 338.16991 is hereby amended to read as follows:

- 338.16991 1. To be eligible to provide labor, materials or equipment on a public work, the contract for which a public body has entered into with a construction manager at risk pursuant to NRS 338.1696, a subcontractor must be:
  - (a) Licensed pursuant to chapter 624 of NRS; and
- (b) Qualified pursuant to the provisions of this section to submit a proposal for the provision of labor, materials or equipment on a public work.
- 2. Subject to the provisions of subsections 3, 4 and 5, the construction manager at risk shall determine whether an applicant is qualified to submit a proposal for the provision of labor, materials or equipment on the public work for the purposes of paragraph (b) of subsection 1.
- 3. [After] Not earlier than 30 days after a construction manager at risk has been selected pursuant to NRS 338.1693 [...the construction manager at risk may accept an application from a subcontractor to determine whether the subcontractor is qualified to submit a proposal for the provision of labor, materials or equipment on the public work. After the design and schedule for the construction of the public work is sufficiently detailed and complete to allow a subcontractor to apply to qualify to submit a meaningful and responsive proposal for the provision of labor, materials or equipment on the public work, and not later than [21] 10 working days before the date by which [such] an application must be submitted, the construction manager at risk shall advertise for [such] applications from subcontractors in a newspaper qualified pursuant to chapter 238 of NRS that is published in the county where the public work will be performed. If no qualified newspaper is published in the county where the public work will be performed, the advertisement must be published in some qualified newspaper that is printed in the State of Nevada and has a general circulation in the county. The construction manager at risk may accept an application from a subcontractor before advertising for applications pursuant to this subsection.
- 4. The criteria to be used by the construction manager at risk when determining whether an applicant is qualified to submit a proposal for the

provision of labor, materials or equipment must include, and must be limited to:

- (a) The monetary limit placed on the license of the applicant by the State Contractors' Board pursuant to NRS 624.220;
- (b) The financial ability of the applicant to provide the labor, materials or equipment required on the public work;
- (c) Whether the applicant has the ability to obtain the necessary bonding for the work required by the public body;
- (d) The safety programs established and the safety records accumulated by the applicant;
- (e) Whether the applicant has breached any contracts with a public body or person in this State or any other state during the 5 years immediately preceding the application;
- (f) Whether the applicant has been disciplined or fined by the State Contractors' Board or another state or federal agency for conduct that relates to the ability of the applicant to perform the public work;
- (g) The performance history of the applicant concerning other recent, similar public or private contracts, if any, completed by the applicant in Nevada;
  - (h) The principal personnel of the applicant;
- (i) Whether the applicant has been disqualified from the award of any contract pursuant to NRS 338.017 or 338.13895; and
  - (j) The truthfulness and completeness of the application.
- 5. The public body or its authorized representative shall ensure that each determination made pursuant to subsection 2 is made subject to the provisions of subsection 4.
- 6. The construction manager at risk shall notify each applicant and the public body in writing of a determination made pursuant to subsection 2.
- 7. A determination made pursuant to subsection 2 that an applicant is not qualified may be appealed pursuant to NRS 338.1381 to the public body with whom the construction manager at risk has entered into a contract for the construction of the public work.
  - **Sec. 13.** NRS 338.16995 is hereby amended to read as follows:
- 338.16995 1. If a public body enters into a contract with a construction manager at risk for the construction of a public work pursuant to NRS 338.1696, the construction manager at risk may enter into a subcontract for the provision of labor, materials and equipment necessary for the construction of the public work only as provided in this section.
- 2. The provisions of this section apply only to a subcontract for which the estimated value is at least 1 percent of the total cost of the public work [.] or \$50,000, whichever is greater.

- 3. After the design and schedule for the construction of the public work is sufficiently detailed and complete to allow a subcontractor to submit a meaningful and responsive proposal, and not later than 21 days before the date by which a proposal for the provision of labor, materials or equipment by a subcontractor must be submitted, the construction manager at risk shall notify in writing each subcontractor who was determined pursuant to NRS 338.16991 to be qualified to submit such a proposal of a request for such proposals. A copy of the notice required pursuant to this subsection must be provided to the public body.
- 4. The notice required pursuant to subsection 3 must include, without limitation:
- (a) A description of the design for the public work and a statement indicating where a copy of the documents relating to that design may be obtained:
- (b) A description of the type and scope of labor, equipment and materials for which subcontractor proposals are being sought;
- (c) The dates on which it is anticipated that construction of the public work will begin and end;
- (d) [The] If a preproposal meeting <u>regarding the scope of the work to be</u> <u>performed by the subcontractor</u> is to be held, the date, time and place at which [a] the preproposal meeting will be held;
- (e) The date and time by which proposals must be received, and to whom they must be submitted;
- (f) The date, time and place at which proposals will be opened for evaluation;
- (g) A description of the bonding and insurance requirements for subcontractors:
- (h) Any other information reasonably necessary for a subcontractor to submit a responsive proposal; and
  - (i) A statement in substantially the following form:

Notice: For a proposal for a subcontract on the public work to be considered:

- 1. The subcontractor must be licensed pursuant to chapter 624 of NRS;
- 2. The proposal must be timely received;
- 3. [The] If a preproposal meeting <u>regarding the scope of the work to be</u> <u>performed by the subcontractor</u> is held, the subcontractor must attend the preproposal meeting; and
- 4. The subcontractor may not modify the proposal after the date and time the proposal is received.
- 5. A subcontractor may not modify a proposal after the date and time the proposal is received.
  - 6. To be considered responsive, a proposal must:
  - (a) Be timely received by the construction manager at risk; and

- (b) Substantially and materially conform to the details and requirements included in the proposal instructions and for the finalized bid package for the public work, including, without limitation, details and requirements affecting price and performance.
- 7. The opening of the proposals must be attended by an authorized representative of the public body. [and] The public body may require the architect or engineer responsible for the design of the public work [but] to attend the opening of the proposals. The opening of the proposals is not otherwise open to the public.
- 8. At the time the proposals are opened, the construction manager at risk shall compile and provide to the public body or its authorized representative a list that includes, without limitation, the name and contact information of each subcontractor who submits a timely proposal .\_[and the price of the proposal submitted by the subcontractor. The list must be made available to the public upon request.]
- 9. Not [less] <u>more</u> than 10 working days after opening the proposals [,] and before the construction manager at risk submits a guaranteed maximum price, a fixed price or a fixed price plus reimbursement pursuant to NRS 338.1696, the construction manager at risk shall:
  - (a) Evaluate the proposals and determine which proposals are responsive.
- (b) Select the subcontractor who submits the proposal that the construction manager at risk determines is the best proposal. <u>Subject to the provisions of subparagraphs (1), (2) and (3), if only one subcontractor submits a proposal, the construction manager at risk may select that subcontractor.</u> The subcontractor must be selected from among those:
- (1) Who attended the preproposal meeting [;] <u>regarding the scope of the work to be performed by the subcontractor</u>, if <u>such a preproposal meeting</u> was held;
  - (2) Who submitted a responsive proposal; and
- (3) Whose names are included on the list compiled and provided to the public body or its authorized representative pursuant to subsection 8.
- (c) Inform the public body or its authorized representative which subcontractor has been selected.
- 10. The public body or its authorized representative shall ensure that the evaluation of proposals and selection of subcontractors are done pursuant to the provisions of this section and regulations adopted by the State Public Works Board.
- 11. A subcontractor selected pursuant to subsection 9 need not be selected by the construction manager at risk solely on the basis of lowest price.
- 12. Except as otherwise provided in subsection 13, the construction manager at risk shall enter into a subcontract with a subcontractor selected

pursuant to subsection 9 to provide the labor, materials or equipment described in the request for proposals.

- 13. A construction manager at risk shall not substitute a subcontractor for any subcontractor selected pursuant to subsection 9 unless:
- (a) The public body or its authorized representative objects to the subcontractor, requests in writing a change in the subcontractor and pays any increase in costs resulting from the change; or
- (b) The substitution is approved by the public body after the selected subcontractor:
  - (1) Files for bankruptcy or becomes insolvent;
- (2) After having a reasonable opportunity, fails or refuses to execute a written contract with the construction manager at risk which was offered to the selected subcontractor with the same general terms that all other subcontractors on the project were offered;
  - (3) Fails or refuses to perform the subcontract within a reasonable time;
- (4) Is unable to furnish a performance bond and payment bond pursuant to NRS 339.025, if required for the public work; or
  - (5) Is not properly licensed to provide that labor or portion of the work.
- 14. The construction manager at risk shall make available to the public <u>f</u>, including, without limitation, the name of each subcontractor who submits a proposal. <u>f</u>, the final rankings of the subcontractors and shall provide, upon request, an explanation to any subcontractor who is not selected of the reasons why the subcontractor was not selected.
- 15. If a public work is being constructed in phases, and a construction manager at risk selects a subcontractor pursuant to subsection 9 for the provision of labor, materials or equipment for any phase of that construction, the construction manager at risk may select that subcontractor for the provision of labor, materials or equipment for any other phase of the construction without following the requirements of subsections 3 to 11, inclusive.
  - **Sec. 14.** NRS 338.1908 is hereby amended to read as follows:
- 338.1908 1. The governing body of each local government shall, by July 28, 2009, develop a plan to retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures. Such a plan must:
- (a) Include a list of specific projects. The projects must be prioritized and selected on the basis of the following criteria:
  - (1) The length of time necessary to commence the project.
  - (2) The number of workers estimated to be employed on the project.
  - (3) The effectiveness of the project in reducing energy consumption.
  - (4) The estimated cost of the project.

- (5) Whether the project is able to be powered by or otherwise use sources of renewable energy.
- (6) Whether the project has qualified for participation in one or more of the following programs:
- (I) The Solar Energy Systems Incentive Program created by NRS 701B.240;
- (II) The Renewable Energy School Pilot Program created by NRS 701B.350:
- (III) The Wind Energy Systems Demonstration Program created by NRS 701B.580; or
- (IV) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820.
- (b) Include a list of potential funding sources for use in implementing the projects, including, without limitation, money available through the Energy Efficiency and Conservation Block Grant Program as set forth in 42 U.S.C. § 17152 and grants, gifts, donations or other sources of money from public and private sources.
- 2. The governing body of each local government shall transmit the plan developed pursuant to subsection 1 to the Director of the Office of Energy and to any other entity designated for that purpose by the Legislature.
  - 3. As used in this section:
- (a) "Local government" means each city or county that meets the definition of "eligible unit of local government" as set forth in 42 U.S.C. § 17151 and each unit of local government, as defined in subsection [12] 13 of NRS 338.010, that does not meet the definition of "eligible entity" as set forth in 42 U.S.C. § 17151.
- (b) "Renewable energy" means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:
  - (1) Biomass;
  - (2) Fuel cells;
  - (3) Geothermal energy;
  - (4) Solar energy;
  - (5) Waterpower; and
  - (6) Wind.
- → The term does not include coal, natural gas, oil, propane or any other fossil fuel, or nuclear energy.
- (c) "Retrofit" means to alter, improve, modify, remodel or renovate a building, facility or structure to make that building, facility or structure more energy-efficient.
  - **Sec. 15.** This act becomes effective on July 1, 2013.

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 293.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 510.

AN ACT relating to off-highway vehicles; [making failure to register an off-highway vehicle a secondary offense; providing for the temporary registration of an off-highway vehicle by officers of the Department of Motor Vehicles and other peace officers under certain circumstances; providing for exclusive enforcement of provisions governing off highway vehicles by certain officers of this State; revising provisions relating to renewal of the registration of an off highway vehicle; providing a penalty;] revising provisions regarding the size of the registration sticker or decal provided by the Department of Motor Vehicles for off-highway vehicles; and providing other matters properly relating thereto.

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

Under existing law, the operator of an off-highway vehicle is required to register the vehicle and to ensure that the registration sticker or decal is attached to the vehicle. (NRS 490.082, 490.130) Section 2 of this hill makes failure to register an off-highway vehicle or display the sticker or decal on the vehicle a secondary offense and authorizes an officer of the Department of Motor Vehicles or a peace officer of this State to issue a citation for such a violation only if the violation is discovered when the off highway vehicle is halted or its operator is arrested for another alleged violation or offense. Section 2 also requires an officer of the Department or a peace officer, before issuing a citation to the operator of an off-highway vehicle for a violation of the registration requirement, to offer instead to allow the operator of the vehicle to fill out an application for registration of the vehicle and pay the registration fee to the officer. The officer shall then issue to the operator a receipt which is deemed a temporary certificate of registration of the vehicle that expires 30 days after issuance. The officer is then required to submit the application for registration and the fee to the Department in a timely manner. Section 2 additionally requires the Department to make available to its officers and to all peace officers in this State applications for off highway vehicle registration and receipt forms. Section 3 of this bill requires the Department, upon receipt of an application and fee from such officers, to send to the applicant an acknowledgment of receipt of the application and fee, along with a list of any other documents or evidence required by the Department to complete the registration process. Upon receipt of such documents or evidence, the Department is required to register the off-highway vehicle and send to the applicant a registration sticker or decal.

—Section 4 of this bill limits the application of the provisions governing off-highway vehicles to only those off-highway vehicles that are propelled by an engine which has a displacement of 500 cubic centimeters or more. (NRS 490.060)

Existing law requires all officers of the Department and all peace officers in this State to enforce the provisions governing off-highway vehicles. (NRS 490.065) Section 5 of this bill provides that those officers are the only persons authorized to enforce those provisions and that the State does not authorize the Federal Government to enforce those provisions.]

Existing law requires the registration and an annual renewal of the registration of off-highway vehicles and requires that such registration be in the form of a sticker or decal that is approximately the size of a license plate for a motorcycle. (NRS 490.082, 490.083) [Section 6 of this bill revises the registration renewal period from once a year to every 3 years. Section 7 of this] This bill revises the size requirement of the registration sticker or decal, providing that it must be [smaller than the size of a license plate for a motorcycle.] at least 3 inches high by 3 1/2 inches wide.

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

- Section 1. [Chapter 490 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.] (Deleted by amendment.)
- Sec. 2. [1. An officer of the Department or a peace officer in this State who is authorized to enforce the provisions of this chapter may not stop an off-highway vehicle for a violation of subsection 1 of NRS 490.082 or subsection 2 of NRS 490.130. Except as otherwise provided in subsection 2, a citation may be issued for such a violation only if the violation is discovered when the off-highway vehicle is halted or its operator arrested for another alleged violation or offense.
- 2. Before issuing a citation for a violation of subsection 1 of NRS 490.082 or subsection 2 of NRS 490.130, an officer of the Department or a peace officer in this State shall allow the operator of the off-highway vehicle to, in lieu of receiving a citation, fill out an application provided by the officer for registration of the off highway vehicle and pay to the officer the fee required pursuant to NRS 490.084. The officer, upon receipt of the application and fee, shall:
- (a) Issue to the operator a receipt which bears the date of issuance and includes a statement that the receipt shall be deemed a temporary

- certificate of registration for the off-highway vehicle that expires 30 days after issuance: and
- (b) Submit to the Department, in a timely manner, the application and fee.
- 3. If the operator does not fill out the application and does not pay the fee pursuant to subsection 2, the officer may issue a citation for the violation of subsection 1 of NRS 490.082 or subsection 2 of NRS 490.130, as applicable.
- 4. The Department shall make available to its officers and all peace officers in this State the applications for registration of an off-highway vehicle and receipts required by this section in a form that is prescribed by the Department. (Deleted by amendment.)
- Sec. 3. [1. Upon receipt of an application for registration of an offhighway vehicle and the fee from an officer of the Department or a peace officer in this State pursuant to section 2 of this act, the Department shall send to the applicant:
- (a) An acknowledgment of receipt of the application for registration and the fee required pursuant to NRS 490.084;
- (b) A list of any other documents or evidence required by the Department for registration of the off-highway vehicle pursuant to NRS 490.082: and
- -(c) The mailing addresses of the Department.
- -2. Upon receipt by the Department of the documents or evidence required pursuant to paragraph (b) of subsection 1 from the applicant, the Department shall register the off-highway vehicle and mail to the applicant the registration sticker or decal for the off-highway vehicle pursuant to NRS 190.083.] (Deleted by amendment.)
  - Sec. 4. [NRS 490.060 is hereby amended to read as follows:
- 490.060 1. "Off-highway vehicle" means a motor vehicle that is designed primarily for off-highway and all-terrain use [.] and is propelled by an engine which has a displacement of 500 cubic centimeters or more. The term includes, but is not limited to:
- (a) An all terrain vehicle;
- (b) An all terrain motorcycle;
- -(e) A dune buggy;
- -(d) A snowmobile; and
- (e) Any motor vehicle used on public lands for the purpose of recreation.
- 2. The term does not include:
- (a) A motor vehicle designed primarily for use in water;
- (b) A motor vehicle that is registered by the Department;
- (e) A low-speed vehicle as defined in NRS 484B.637; or

- (d) Special mobile equipment, as defined in NRS 482.123.] (Deleted by amendment.)
  - Sec. 5. [NRS 490.065 is hereby amended to read as follows:
- 490.065 The Department, all officers thereof and all peace officers in this State shall enforce, and are the only persons authorized to enforce, the provisions of this chapter. The State of Nevada does not authorize the Federal Government or any representative thereof to enforce the provisions of this chapter.] (Deleted by amendment.)
- Sec. 6. [NRS 490.082 is hereby amended to read as follows:
- 490.082 1. An owner of an off-highway vehicle that is acquired:
- -(a) Before the effective date of this section:
- —(1) May apply for, to the Department by mail or to an authorized dealer, and obtain from the Department, a certificate of title for the off highway vehicle.
- (2) Except as otherwise provided in subsection 3 [,] and section 2 of this act, shall, within 1 year after the effective date of this section, apply for, to the Department by mail or to an authorized dealer, and obtain from the Department, the registration of the off-highway vehicle.
- (b) On or after the effective date of this section, shall, within 30 days after acquiring ownership of the off-highway vehicle:
- —(1) Apply for, to the Department by mail or to an authorized dealer, and obtain from the Department, a certificate of title for the off highway vehicle.
- (2) Except as otherwise provided in subsection 3 [,] and section 2 of this act, apply for, to the Department by mail or to an authorized dealer, and obtain from the Department, the registration of the off highway vehicle.
- -2. If an owner of an off highway vehicle applies to the Department or to an authorized dealer for:
- (a) A certificate of title for the off highway vehicle, the owner shall submit to the Department or to the authorized dealer proof prescribed by the Department that he or she is the owner of the off-highway vehicle.
- (b) The registration of the off highway vehicle, except as otherwise provided in section 2 of this act, the owner shall submit:
- (1) If ownership of the off highway vehicle was obtained before the effective date of this section, proof prescribed by the Department:
- (I) That he or she is the owner of the off-highway vehicle; and
- (II) Of the unique vehicle identification number, serial number or distinguishing number obtained pursuant to NRS 490.0835 for the off-highway vehicle; or
- -(2) If ownership of the off-highway vehicle was obtained on or after the effective date of this section:
- (I) Evidence satisfactory to the Department that he or she has paid all taxes applicable in this State relating to the purchase of the off-highway

vehicle, or submit an affidavit indicating that he or she purchased the vehicle through a private party sale and no tax is due relating to the purchase of the off-highway vehicle; and

- —(II) Proof prescribed by the Department that he or she is the owner of the off-highway vehicle and of the unique vehicle identification number, serial number or distinguishing number obtained pursuant to NRS 490.0835 for the off-highway vehicle.
- 3. Registration of an off-highway vehicle is not required if the off-highway vehicle:
- (a) Is owned and operated by:
- (1) A federal agency;
- (2) An agency of this State; or
- (3) A county, incorporated city or unincorporated town in this State;
- (b) Is part of the inventory of a dealer of off-highway vehicles;
- (e) Is registered or certified in another state; [and is located in this State for not more than 60 days;]
- —(d) Is used solely for husbandry on private land or on public land that is leased to or used under a permit issued to the owner or operator of the off-highway vehicle;
- (e) Is used for work conducted by or at the direction of a public or private utility; or
- (f) Was manufactured before January 1, 1976.
- 4. [The] Except as otherwise provided in section 2 of this act, the registration of an off-highway vehicle expires [1 year] 3 years after its issuance. If an owner of an off highway vehicle fails to renew the registration of the off highway vehicle before it expires, the registration may be reinstated upon the payment to the Department of the [annual] renewal fee and a late fee of \$25. Any late fee collected by the Department must be deposited with the State Treasurer for credit to the Revolving Account for the Administration of Off-Highway Vehicle Titling and Registration created by NRS 490.085.
- 5. If a certificate of title or registration for an off-highway vehicle is lost or destroyed, the owner of the off highway vehicle may apply to the Department by mail, or to an authorized dealer, for a duplicate certificate of title or registration. The Department shall not replace a temporary registration issued pursuant to section 2 of this act. The Department may collect a fee to replace a certificate of title or registration certificate, sticker or decal that is lost, damaged or destroyed. Any such fee collected by the Department must be:
- (a) Set forth by the Department by regulation; and

- (b) Deposited with the State Treasurer for credit to the Revolving Account for the Administration of Off-Highway Vehicle Titling and Registration created by NRS 490.085.
- 6. The provisions of subsections 1 to 5, inclusive, do not apply to an owner of an off-highway vehicle who is not a resident of this State.] (Deleted by amendment.)
  - **Sec. 7.** NRS 490.083 is hereby amended to read as follows:
- 490.083 <u>Each</u> [Except as otherwise provided in section 2 of this act, each] registration of an off-highway vehicle must:
- 1. Be in the form of a sticker or decal, as prescribed by the **[Department.] Commission.**
- 2. Be [approximately] [smaller than the size of a license plate for a motorcycle, as set forth by the Department.] at least 3 inches high by 3 1/2 inches wide, and display not more than 4 characters that are at least 1 1/4 inches high.
- 3. Include the unique vehicle identification number, serial number or distinguishing number obtained pursuant to NRS 490.0835 for the off-highway vehicle.
- 4. Be displayed on the off-highway vehicle in the manner set forth by the Commission.

### Sec. 8. [NRS 490.084 is hereby amended to read as follows:

- 490.084 1. The Department shall determine the fee for issuing a certificate of title for an off-highway vehicle, but such fee must not exceed the fee imposed for issuing a certificate of title pursuant to NRS 482.429. Money received from the payment of the fees described in this subsection must be deposited with the State Treasurer for credit to the Revolving Account for the Administration of Off Highway Vehicle Titling and Registration created by NRS 490.085.
- 2. The Commission shall determine the fee for the [annual] registration of an off-highway vehicle, but such fee must not be less than \$20 or more than \$30. Money received from the payment of the fees described in this subsection and from the payment of fees pursuant to section 2 of this act must be distributed as follows:
- (a) During the period beginning on July 1, 2012, and ending on June 30, 2013:
- (1) Eighty-five percent must be deposited with the State Treasurer for credit to the Revolving Account for the Administration of Off Highway Vehicle Titling and Registration created by NRS 490.085.
- (2) To the extent that any portion of the fee for registration is not for the operation of the off highway vehicle on a highway, 15 percent must be denosited into the Fund.
- (b) On or after July 1, 2013:

- —(1) Fifteen percent must be deposited with the State Treasurer for credit to the Revolving Account for the Administration of Off-Highway Vehicle Titling and Registration created by NRS 490.085.
- —(2) To the extent that any portion of the fee for registration is not for the operation of the off-highway vehicle on a highway, 85 percent must be deposited into the Fund.] (Deleted by amendment.)
- Sec. 9. [NRS 490.110 is hereby amended to read as follows:
- 490.110 1. Except as otherwise provided in subsection 2, if an off-highway vehicle meets the requirements of this chapter and the operator holds a valid driver's license and operates the off-highway vehicle in accordance with the requirements of those sections, the off-highway vehicle may be operated on a highway in accordance with NRS 490.090 to 490.130, inclusive 1.1. and sections 2 and 3 of this act.
- 2. An off-highway vehicle may not be operated pursuant to this section:
- (a) On an interstate highway;
- (b) On a paved highway in this State for more than 2 miles; or
- (e) Unless the highway is specifically designated for use by off-highway vehicles in a city whose population is 100,000 or more.] (Deleted by amendment.)
- Sec. 10. INRS 490.120 is hereby amended to read as follows:
- 490.120 In addition to the requirements set forth in NRS 490.070, a person shall not operate an off highway vehicle on a highway pursuant to NRS 490.090 to 490.130, inclusive, and sections 2 and 3 of this act, unless the off-highway vehicle has:
- 1. At least one headlamp that illuminates objects at least 500 feet ahead of the vehicle:
- 2. At least one tail lamp that is visible from at least 500 feet behind the vehicle:
- 3. At least one red reflector on the rear of the vehicle, unless the tail lamp is red and reflective:
- 4. A stop lamp on the rear of the vehicle: and
- 5. A muffler which is in working order and which is in constant operation when the vehicle is running.] (Deleted by amendment.)
- Sec. 11. [NRS 490.130 is hereby amended to read as follows:
- 490.130 The operator of an off-highway vehicle that is being driven on a highway in this State in accordance with NRS 490.090 to 490.130, inclusive, and sections 2 and 3 of this act, shall:
- -1. Comply with all traffic laws of this State;
- 2. [Ensure] Except as otherwise provided in section 2 of this act, ensure that the registration of the off highway vehicle is attached to the vehicle in accordance with NRS 490 083; and
- 3. Wear a helmet.] (Deleted by amendment.)

### Sec. 12. [NRS 490.520 is hereby amended to read as follows:

- 490.520 1. It is a gross misdemeanor for any person knowingly to falsify:
- (a) An off-highway vehicle dealer's report of sale, as described in NRS 490.440; or
- (b) An application or document to obtain any license, permit, *temporary* registration, certificate of title or registration issued under the provisions of this chapter.
- 2. Except as otherwise provided in subsection 3, it is a misdemeanor for any person to violate any of the provisions of this chapter unless the violation is by this section or other provision of this chapter or other law of this State declared to be a gross misdemeanor or a felony.
- 3. [Any] Except as otherwise provided in subsection 2 of section 2 of this act, any person who violates a provision of this chapter relating to the registration or operation of an off highway vehicle is guilty of a misdemeanor and shall be punished by a fine not to exceed \$100.] (Deleted by amendment.)

# Sec. 13. [This act becomes effective on July 1, 2013.] (Deleted by amendment.)

Assemblyman Carrillo moved the adoption of the amendment.

Remarks by Assemblyman Carrillo.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 306.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 280.

AN ACT relating to certain regulated professions; revising the definition of "private investigator"; exempting certain activities from the applicability of provisions of existing law governing private investigators and related professions; revising provisions governing employees of certain licensees; requiring certain licensees to maintain a principal place of business in this State; providing a penalty; and providing other matters properly relating thereto.

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

**Section 1** of this bill revises the definition of the term "private investigator" to include certain activities relating to investigations into computerized data not available to the public and certain crimes and torts. **Section 2** of this bill revises the applicability of provisions governing private investigators and related professions to exempt from the requirements for

licensure certain persons who perform maintenance or repair of computers under certain circumstances.

**Section 6** of this bill requires a person licensed to engage in the business of a private investigator, private patrol officer, process server, repossessor, dog handler, security consultant, or polygraphic examiner or intern to maintain a principal place of business in this State. **Section 5** of this bill requires that a licensee post his or her license in a conspicuous place in the licensee's principal place of business in this State. **Section 4** of this bill requires a licensee to: (1) ensure that every registered person employed in this State by the licensee is supervised by a licensee who is physically located in this State; and (2) maintain at a location in this State records relating to employment, **compensation, licensure** and registration of employees.

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

**Section 1.** NRS 648.012 is hereby amended to read as follows:

648.012 "Private investigator" means any person who for any consideration engages in business or accepts employment to furnish, or agrees to make or makes any investigation for the purpose of obtaining, including, without limitation, through the review, analysis and investigation of computerized data not available to the public, information with reference to:

- 1. The identity, habits, conduct, business, occupation, honesty, integrity, credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movement, whereabouts, affiliations, associations, transactions, acts, reputation or character of any person;
  - 2. The location, disposition or recovery of lost or stolen property;
- 3. The cause or responsibility for fires, libels, losses, accidents or damage or injury to persons or to property;
- 4. A crime or tort that has been committed, attempted, threatened or suspected;
- $\hat{s}$ . Securing evidence to be used before any court, board, officer or investigating committee; or
- [5.] 6. The prevention, detection and removal of surreptitiously installed devices for eavesdropping or observation.
  - **Sec. 2.** NRS 648.018 is hereby amended to read as follows:
- 648.018 Except as to polygraphic examiners and interns, this chapter does not apply:
- 1. To any detective or officer belonging to the law enforcement agencies of the State of Nevada or the United States, or of any county or city of the State of Nevada, while the detective or officer is engaged in the performance of his or her official duties.

- 2. To special police officers appointed by the police department of any city, county, or city and county within the State of Nevada while the officer is engaged in the performance of his or her official duties.
- 3. To insurance adjusters and their associate adjusters licensed pursuant to the Nevada Insurance Adjusters Law who are not otherwise engaged in the business of private investigators.
- 4. To any private investigator, private patrol officer, process server, dog handler or security consultant employed by an employer regularly in connection with the affairs of that employer if a bona fide employer-employee relationship exists, except as otherwise provided in NRS 648.060, 648.140 and 648.203.
- 5. To a repossessor employed exclusively by one employer regularly in connection with the affairs of that employer if a bona fide employer-employee relationship exists, except as otherwise provided in NRS 648.060, 648.140 and 648.203.
- 6. To a person engaged exclusively in the business of obtaining and furnishing information as to the financial rating of persons.
- 7. To a charitable philanthropic society or association incorporated under the laws of this State which is organized and maintained for the public good and not for private profit.
  - 8. To an attorney at law in performing his or her duties as such.
- 9. To a collection agency unless engaged in business as a repossessor, licensed by the Commissioner of Financial Institutions, or an employee thereof while acting within the scope of his or her employment while making an investigation incidental to the business of the agency, including an investigation of the location of a debtor or his or her assets and of property which the client has an interest in or lien upon.
- 10. To admitted insurers and agents and insurance brokers licensed by the State, performing duties in connection with insurance transacted by them.
- 11. To any bank organized pursuant to the laws of this State or to any national bank engaged in banking in this State.
- 12. To any person employed to administer a program of supervision for persons who are serving terms of residential confinement.
- 13. To any commercial registered agent, as defined in NRS 77.040, who obtains copies of, examines or extracts information from public records maintained by any foreign, federal, state or local government, or any agency or political subdivision of any foreign, federal, state or local government.
- 14. To any holder of a certificate of certified public accountant issued by the Nevada State Board of Accountancy pursuant to chapter 628 of NRS while performing his or her duties pursuant to the certificate.
- 15. To a person performing the repair or maintenance of a computer who performs a review or analysis of data contained on a computer solely

for the purposes of diagnosing a computer hardware or software problem and who is not otherwise engaged in the business of a private investigator.

- **Sec. 3.** NRS 648.080 is hereby amended to read as follows:
- 648.080 Every application for a license must contain:
- 1. A detailed statement of the applicant's personal history on the form specified by the Board. If the applicant is a corporation, the application must include such a statement concerning each officer and director.
- 2. A statement of the applicant's financial condition on the form specified by the Board. If the applicant is a corporation, the application must include such a statement concerning each officer and director.
- 3. [A specific description of the location] The complete address of the principal place of business of the applicant [, the] in this State and of each branch office or other place of business of the applicant in this State.
- 4. The business <u>or businesses</u> in which the applicant intends to engage and the category <u>or categories</u> of license he or she desires.
- [4.] 5. A complete set of fingerprints which the Board may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.
- [5.] 6. A recent photograph of the applicant or, if the applicant is a corporation, of each officer and director.
- [6.] 7. Evidence supporting the qualifications of the applicant in meeting the requirements for the license for which he or she is applying.
- [7.] 8. If the applicant is not a natural person, the full name and residence address of each of its partners, officers, directors and manager, and a certificate of filing of a fictitious name.
- [8.] 9. Such other facts as may be required by the Board to show the good character, competency and integrity of each signatory.
  - **Sec. 4.** NRS 648.140 is hereby amended to read as follows:
- 648.140 1. Any license obtained pursuant to the provisions of this chapter gives the licensee or any bona fide employee of the licensee authority to engage in the type of business for which he or she is licensed in any county or city in the State of Nevada. A county or city shall not enact ordinances regulating persons licensed pursuant to this chapter, except general business regulations designed to raise revenue or assure compliance with building codes and ordinances or regulations concerning zoning and safety from fire.
- 2. Except for polygraphic examiners and interns, a licensee may employ, in connection with his or her business, as many persons registered pursuant to this chapter as may be necessary, but at all times every licensee [is]:
- (a) Shall ensure that each registered person employed in this State by the licensee is supervised by a licensee who is physically present in this State; and

- (b) Is accountable for the good conduct of every person employed by the licensee in connection with his or her business.
  - 3. Each licensee shall [furnish]:
- (a) Maintain at a location within this State records relating to the employment, compensation, licensure and registration of employees;
- (b) Furnish the Board with the information requested by it concerning all employees registered pursuant to this chapter, except clerical personnel; [,] and [shall notify]
- (c) Notify the Board within 3 days after such employees begin their employment.
  - **Sec. 5.** NRS 648.142 is hereby amended to read as follows:
- 648.142 1. The license, when issued, shall be in such form as may be determined by the Board and shall include:
  - (a) The name of the licensee.
  - (b) The name under which the licensee is to operate.
  - (c) The number and date of the license.
  - (d) The expiration date of the license.
- (e) If the licensee is a corporation, the name of the person or persons affiliated with the corporation on the basis of whose qualifications such license is issued.
- (f) The classification or classifications of work which the license authorizes.
- 2. The license shall at all times be posted in a conspicuous place in the *licensee's* principal place of business <del>[of the licensee.]</del> in this State.
- 3. Upon the issuance of a license, a pocket card of such size, design and content as may be determined by the Board shall be issued without charge to each licensee, if an individual, or if the licensee is a person other than an individual, to its manager and to each of its officers, directors and partners, which card shall be evidence that the licensee is duly licensed pursuant to this chapter. When any person to whom a card is issued terminates his or her position, office or association with the licensee, the card shall be surrendered to the licensee and within 5 days thereafter shall be mailed or delivered by the licensee to the Board for cancellation.
- 4. A licensee shall, within 30 days after such change, notify the Board of any and all changes of his or her address, of the name under which the licensee does business, and of any change in its officers, directors or partners.
  - 5. A license issued under this chapter is not assignable.
  - **Sec. 6.** NRS 648.148 is hereby amended to read as follows:
  - 648.148 1. Each licensee shall [file]:
  - (a) Maintain a principal place of business in this State; and
- (b) File with the Board the complete address of his or her principal place of business in this State, including the name and number of the street, or, if

the street where the business is located is not numbered, the number of the post office box. The Board may require the filing of other information for the purpose of identifying such principal place of business.

2. Every advertisement by a licensee soliciting or advertising business shall contain the licensee's name and [address] the number of the licensee's license as they appear in the records of the Board.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 327.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 427.

AN ACT relating to state accountability; requiring the [State Controller] Director of the Department of Administration to establish a telephone number for the purpose of receiving information relating to abuse, fraud or waste with respect to the receipt and use of public money [+] by certain state agencies or contractors; requiring [a state agency, contractor, grant receipient or local government that receives public money to post] a notice identifying the telephone number to be posted at certain locations [+; transferring the Division of Internal Audits from the Department of Administration to the Office of the State Controller;] and online; and providing other matters properly relating thereto.

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

[Section 1 of this] This bill requires the [State Controller] Director of the Department of Administration to establish a telephone number to receive information relating to abuse, fraud and waste with respect to the receipt and use of public money [1] by certain state agencies or contractors, and requires written notice of the telephone number to be posted [by a state]: (1) on the Internet website maintained by the Department; and (2) in each public building of an agency. [, contractor, grant recipient or local government that receives public money at certain locations throughout the State.

—Sections 2 to 13 of this bill transfer the Division of Internal Audits, including its powers and duties, from the Department of Administration to the Office of the State Controller.]

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

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

- 1. The [State Controller] Director shall:
- (a) Establish a telephone number at which a person may report information relating to abuse, fraud or waste with respect to public money received and used by an agency [,] or contractor; [, grant recipient or local government;] and
  - (b) Create a written notice that:
- (1) Clearly identifies the telephone number established pursuant to paragraph (a); and
- (2) Contains a statement directing any person with any information relating to abuse, fraud or waste with respect to public money received and used by an agency [,] or contractor [, grant recipient or local government] to report the information at the telephone number established pursuant to paragraph (a).
- 2. The written notice created pursuant to paragraph (b) of subsection 1 must be posted conspicuously:
  - (a) In each public building of an agency; [and local government;] and
- (b) [At any location where an agency, contractor, grant recipient or local government is utilizing public money to complete a project or earry out any duty pursuant to a contract or grant with the State.] On the Internet website maintained by the Department of Administration.
  - 3. As used in this section:
- (a) ["Agency" means an agency, department, division, board, commission or similar body, political subdivision or elected officer of the Executive Department of the State Government, or a regulatory body as defined by NRS 622.060. The term does not include:
- -(1) A Native American tribe or any political subdivision thereof;
- -(2) The Nevada System of Higher Education:
- (3) The Public Employees' Retirement System: or
- (4) The Colorado River Commission of Nevada.
- —(b)] "Contractor" means any person, business, organization or nonprofit corporation that contracts with [the State or a local government] an agency to receive public money. The term includes a subcontractor or a third party who receives any portion of the public money from the contractor to carry out any obligation pursuant to a contract between the contractor and the [State or the local government.
- (c) "Grant recipient" means any person, agency, contractor or local government that receives public money from the State or a local

government in the form of a grant. The term includes a third party who receives from the grant recipient any portion of the public money to earry out the purposes of a grant received by the grant recipient from the State or the local government.

- (d) "Local government" means a local government or any political subdivision or officer of a local government.
- <del>(e)]</del> agency.
- \_\_(b)\_ "Public money" means any money deposited with a depository by the State Treasurer [or by an official custodian of a local government with plenary authority] and includes money which is received by [the State or a local government] an agency from the Federal Government for distribution and use in this State pursuant to a federal law or federal regulation. [The term does not include money deposited with a depository by or on behalf of:
  \_(1) A Native American tribe;
- -(2) The Nevada System of Higher Education;
- -(3) The Public Employees' Retirement System; or
- (4) The Colorado River Commission of Nevada.
- Sec. 2. [NRS 353A.010 is hereby amended to read as follows:
- 353A.010 As used in this chapter, unless the context otherwise requires:
- 1. "Agency" means every agency, department, division, board, commission or similar body, or elected officer, of the Executive Branch of the State.
- 2. "Committee" means the Executive Branch Audit Committee created pursuant to NRS 353A.038.
- 3. ["Director" means the Director of the Department of Administration.
- 4.] "Internal accounting and administrative control" means a method through which agencies can safeguard assets, check the accuracy and reliability of their accounting information, promote efficient operations and encourage adherence to prescribed managerial policies.] (Deleted by amendment.)
  - Sec. 3. INRS 353A 020 is hereby amended to read as follows:
- <u>353A.020</u> 1. The [Director,] *State Controller*, in consultation with the Committee and Legislative Auditor, shall adopt a uniform system of internal accounting and administrative control for agencies. The elements of the system must include, without limitation:
- (a) A plan of organization which provides for a segregation of duties appropriate to safeguard the assets of the agency;
- (b) A plan which limits access to assets of the agency to persons who need the assets to perform their assigned duties;
- (c) Procedures for authorizations and recordkeeping which effectively control accounting of assets, liabilities, revenues and expenses;

- —(d) A system of practices to be followed in the performance of the duties and functions of each agency; and
- (e) An effective system of internal review.
- 2. The [Director,] State Controller, in consultation with the Committee and Legislative Auditor, may modify the system whenever the [Director] State Controller considers it necessary.
- 3. Each agency shall develop written procedures to carry out the system of internal accounting and administrative control adopted pursuant to this section.
- 4. For the purposes of this section, "agency" does not include:
- (a) A board created by the provisions of NRS 590.485 and chapters 623 to 625 A. inclusive, 628, 630 to 644, inclusive, 648, 654 and 656 of NRS.
- (b) The Nevada System of Higher Education.
- (e) The Public Employees' Retirement System.
- (d) The Housing Division of the Department of Business and Industry.
- <u>(e) The Colorado River Commission of Nevada.</u>] (Deleted by amendment.)
- Sec. 4. [NRS 353A.025 is hereby amended to read as follows:
- 353A.025 1. The head of each agency shall periodically review the agency's system of internal accounting and administrative control to determine whether it is in compliance with the uniform system of internal accounting and administrative control for agencies adopted pursuant to subsection 1 of NRS 353A.020.
- 2. On or before July 1 of each even-numbered year, the head of each agency shall report to the [Director] State Controller whether the agency's system of internal accounting and administrative control is in compliance with the uniform system adopted pursuant to subsection 1 of NRS 353A.020. The reports must be made available for inspection by the members of the Legislature.
- 3. For the purposes of this section, "agency" does not include:
- —(a) A board created by the provisions of NRS 590.485 and chapters 623 to 625A, inclusive, 628, 630 to 644, inclusive, 648, 654 and 656 of NRS.
- (b) The Nevada System of Higher Education.
- (c) The Public Employees' Retirement System.
- (d) The Housing Division of the Department of Business and Industry.
- (e) The Colorado River Commission of Nevada.
- 4. The [Director] *State Controller* shall, on or before the first Monday in February of each odd-numbered year, submit a report on the status of internal accounting and administrative controls in agencies to the:
- (a) Director of the Legislative Counsel Bureau for transmittal to the:
- (1) Senate Standing Committee on Finance; and
- (2) Assembly Standing Committee on Ways and Means:

- (b) Governor; and
- -(e) Legislative Auditor.
- 5. The report submitted by the [Director] State Controller pursuant to subsection 4 must include, without limitation:
- (a) The identification of each agency that has not complied with the requirements of subsections 1 and 2;
- (b) The identification of each agency that does not have an effective method for reviewing its system of internal accounting and administrative control; and
- (e) The identification of each agency that has weaknesses in its system of internal accounting and administrative control, and the extent and types of such weaknesses.] (Deleted by amendment.)
  - Sec. 5. INRS 353A.036 is hereby amended to read as follows:
- <u>353A.036</u> "Division" means the Division of Internal Audits of the Office of the [Department of Administration.] State Controller.] (Deleted by amendment.)
- Sec. 6. [NRS 353A.041 is hereby amended to read as follows:
- -353A.041 1. The State Controller shall appoint an Administrator of the Division.
- 2. The Administrator must:
- (a) Be a certified public accountant licensed by this state or a public accountant qualified pursuant to chapter 628 of NRS to practice public accounting in this state; and
- (b) Have at least 5 years of progressively responsible experience in professional auditing and performing internal audits or postaudits. The experience must include, without limitation, the performance of audits of governmental entities or of private business organizations, whether or not organized for profit.
- [2.] 3. The Administrator may [employ,]:
- —(a) Appoint a Deputy and a Chief Assistant in the unclassified service of the State, who shall not engage in any other gainful employment or occupation except as otherwise provided in NRS 284.143; and
- (b) Employ, within the limits of legislative appropriations, any other such staff as is necessary to [the performance of] carry out his or her duties.] (Deleted by amendment.)
  - Sec. 7. [NRS 353A.045 is hereby amended to read as follows:
- 353A.045 The Administrator shall:
- -1. Report to the [Director.] State Controller.
- 2. Develop long-term and annual work plans to be based on the results of periodic documented risk assessments. The annual work plan must list the agencies to which the Division will provide training and assistance and be

- submitted to the [Director] State Controller for approval. Such agencies must not include:
- (a) A board created by the provisions of NRS 590.485 and chapters 623 to 625 A, inclusive, 628, 630 to 644, inclusive, 648, 654 and 656 of NRS.
- (b) The Nevada System of Higher Education.
- (c) The Public Employees' Retirement System.
- (d) The Housing Division of the Department of Business and Industry.
- -(c) The Colorado River Commission of Nevada.
- 3. Provide a copy of the approved annual work plan to the Legislative Auditor-
- 4. In consultation with the [Director,] State Controller, prepare a plan for auditing executive branch agencies for each fiscal year and present the plan to the Committee for its review and approval. Each plan for auditing must:
- (a) State the agencies which will be audited, the proposed scope and assignment of those audits and the related resources which will be used for those audits; and
- (b) Ensure that the internal accounting, administrative controls and financial management of each agency are reviewed periodically.
- 5. Perform the audits of the programs and activities of the agencies in accordance with the plan approved pursuant to subsection 5 of NRS 353A.038 and prepare audit reports of his or her findings.
- 6. Review each agency that is audited pursuant to subsection 5 and advise those agencies concerning internal accounting, administrative controls and financial management.
- -7. Submit to each agency that is audited pursuant to subsection 5 analyses, appraisals and recommendations concerning:
- (a) The adequacy of the internal accounting and administrative controls of the agency; and
- (b) The efficiency and effectiveness of the management of the agency.
- 8. Report any possible abuses, illegal actions, errors, omissions and conflicts of interest of which the Division becomes aware during the performance of an audit.
- 9. Adopt the standards of The Institute of Internal Auditors for conducting and reporting on internal audits.
- 10. Consult with the Legislative Auditor concerning the plan for auditing and the scope of audits to avoid duplication of effort and undue disruption of the functions of agencies that are audited pursuant to subsection 5.
- 11. Appoint a Manager of Internal Controls.] (Deleted by amendment.)
- Sec. 8. [NRS 353A.065 is hereby amended to read as follows:
- —353A.065 1. Within 90 days after the end of each fiscal year, the Administrator shall submit an annual report to the Committee for its approval which:

- (a) Lists the agencies to which the Division provided training and assistance:
- (b) Separately lists any other activities undertaken by the Division that are related to the provision of training and assistance and the status of those activities:
- (e) Contains a list of the final reports that have been submitted pursuant to NRS 353A-085:
- (d) Contains a separate list of any other activities undertaken by the Division that are related to the final reports submitted pursuant to NRS 353A.085 and the status of those activities; and
- —(e) Describes the accomplishments of the Division.
- 2. The Administrator shall provide a copy of the annual report to the:
- (a) Committee:
- (b) [Director;] State Controller;
- (c) Interim Finance Committee: and
- (d) Legislative Auditor.] (Deleted by amendment.)
- Sec. 9. [NRS 232.213 is hereby amended to read as follows:
- 232.213 1. The Department of Administration is hereby created.
- 2. The Department consists of a Director and the following:
- (a) Budget Division.
- (b) Risk Management Division.
- (e) Hearings Division, which consists of hearing officers, compensation officers and appeals officers.
- -(d) State Public Works Division.
- (e) Purchasing Division.
- (f) Administrative Services Division.
- (g) [Division of Internal Audits.
- (h)] Division of Human Resource Management.
- [(i)] (h) Division of Enterprise Information Technology Services.
- [(i)] (i) Division of State Library and Archives.
- [(k)] (i) Office of Grant Procurement, Coordination and Management.
- 3. The Director may establish a Motor Pool Division or may assign the functions of the State Motor Pool to one of the other divisions of the Department.] (Deleted by amendment.)
  - Sec. 10. [NRS 232.215 is hereby amended to read as follows:
- 232.215 The Director:
- 1. Shall appoint an Administrator of the:
- (a) Risk Management Division;
- (b) State Public Works Division;
- (c) Purchasing Division;
- -(d) Administrative Services Division:
- (e) [Division of Internal Audits;

- (f)] Division of Human Resource Management;
- [(g)] (f) Division of Enterprise Information Technology Services;
- -[(h)] (g) Division of State Library and Archives;
- [(i)] (h) Office of Grant Procurement, Coordination and Management;
- [(i)] (i) Motor Pool Division, if separately established.
- 2. Shall appoint a Chief of the Budget Division, or may serve in this position if the Director has the qualifications required by NRS 353.175.
- 3. Shall serve as Chief of the Hearings Division and shall appoint the hearing officers and compensation officers. The Director may designate one of the appeals officers in the Division to supervise the administrative, technical and procedural activities of the Division.
- 4. Is responsible for the administration, through the divisions of the Department, of the provisions of chapters 233F, 242, 284, 331, 333, 336, 338 and 341 of NRS, NRS 353.150 to 353.246, inclusive, [and 353A.031 to 353A.100, inclusive,] chapter 378 of NRS and all other provisions of law relating to the functions of the divisions of the Department.
- 5. Is responsible for the administration of the laws of this State relating to the negotiation and procurement of medical services and other benefits for state agencies.
- 6. Has such other powers and duties as are provided by law.] (Deleted by amendment.)
- Sec. 11. INRS 232.2165 is hereby amended to read as follows:
- 232 2165 The Administrator of:
- 1 The State Public Works Division
- 2. The Purchasing Division;
- 3. The Administrative Services Division;
- 4. [The Division of Internal Audits;
- 5. The Division of Human Resource Management;
- [6.] 5. The Division of Enterprise Information Technology Services:
- [7.] 6. The Division of State Library and Archives:
- <u>[8.] 7. The Office of Grant Procurement, Coordination and Management: and</u>
- [9.] 8. If separately established, the Motor Pool Division,
- → of the Department serves at the pleasure of the Director and is in the unclassified service of the State.] (Deleted by amendment.)
  - Sec. 12. [NRS 232.217 is hereby amended to read as follows:
- <u>232.217</u> Unless federal law or regulation otherwise requires, the Chief of the Budget Division and the Administrator of the:
- 1. State Public Works Division:
- 2. Purchasing Division:
- -3. IDivision of Internal Audits:

- 4.1 Division of Human Resource Management:
- [5.] 4. Division of Enterprise Information Technology Services;
- [6.] 5. Division of State Library and Archives; and
- [7.] 6. Motor Pool Division, if separately established,
- may appoint a Deputy and a Chief Assistant in the unclassified service of the State, who shall not engage in any other gainful employment or occupation except as otherwise provided in NRS 284.143.] (Deleted by amendment.)
- Sec. 13. [NRS 232.219 is hereby amended to read as follows:
- 232.219 1. The Department of Administration's Operating Fund for Administrative Services is hereby created as an internal service fund.
- 2. The operating budget of each of the following entities must include an amount representing that entity's share of the operating costs of the central accounting function of the Department:
- (a) State Public Works Division:
- (b) Budget Division:
- (c) Purchasing Division:
- (d) Hearings Division;
- (e) Risk Management Division;
- -(f) IDivision of Internal Audits:
- -(g)] Division of Human Resource Management;
- [(h)] (g) Division of Enterprise Information Technology Services;
- I(i) (h) Division of State Library and Archives: and
- [(i)] (i) If separately established, the Motor Pool Division.
- 3. All money received for the central accounting services of the Department must be deposited in the State Treasury for credit to the Operating Fund.
- 4. All expenses of the central accounting function of the Department must be paid from the Fund as other claims against the State are paid.] (Deleted by amendment.)
  - **Sec. 14.** This act becomes effective on July 1, 2013.

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 336.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 342.

AN ACT relating to vehicle registration; authorizing the registration of certain trailers for a [5-year] 3-year period in lieu of a 12-month period; requiring a registrant who elects to register a trailer for the longer period to pay fees commensurate with that longer period; authorizing the registration of certain commercial trailers and semitrailers for as long as the trailer is owned by the person who obtained the registration; providing for a one-time imposition of a flat governmental services tax on commercial trailers registered for as long as the trailer is owned by the person who obtained the registration; and providing other matters properly relating thereto.

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

Existing law requires the annual registration of trailers and semitrailers that are to be operated on the highways of this State and the imposition of a governmental services tax. (NRS 371.030, 482.205, 482.206) **Section** [1] 1.4 of this bill allows a person who owns a trailer [or semitrailer] to instead elect to register the trailer [or semitrailer] for a period of [5] 3 years. **Section** [1 of this bill] 1.4 also requires a person who registers a trailer [or semitrailer] for a [5 year] 3-year period to pay upon registration all applicable fees and taxes which the person would pay if the trailer [or semitrailer] was registered for 1 year and then renewed for [4] 2 consecutive years, including, without limitation, governmental services taxes, registration fees, license plate fees and additional fees, if applicable, for personalized prestige license plates and special license plates.

Sections 2, 3, 34.5 and 36 of this bill authorize the owners of certain commercial trailers and semitrailers to pay a flat registration fee of \$24 and the imposition of the governmental services tax in the amount of \$86 for a registration that is valid for as long as the person owns the trailer. Section 2 provides that such a registration is nontransferable if the person transfers ownership of the trailer, and is valid until the owner either transfers ownership of the trailer or cancels the registration of the trailer and surrenders the license plates to the Department of Motor Vehicles. Section 36 provides that the governmental services tax is imposed only when the trailer is registered and is nonrefundable. Section 4.5 of this bill provides that the Department shall not, for a trailer being registered in this manner, issue any of the various special license plates offered for other vehicles.

\_Sections [2-5] 2-4, 5 and 35 of this bill make conforming changes to provisions concerning the transfer of registration, the imposition of the governmental services tax, renewal stickers, the replacement of license plates or decals that are lost, mutilated or illegible, and the reporting of stolen motor vehicles, trailers or semitrailers. (NRS 482.206, 482.260, 482.2705, 482.285,

482.520) **Sections** [6-34] 6-34.1 of this bill make conforming changes to provisions authorizing the issuance of special license plates which are available for <u>certain</u> trailers and semitrailers. <u>Sections 36-38 of this bill make conforming changes to provisions concerning the imposition of the governmental services tax.</u>

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

- Section 1. Chapter 482 of NRS is hereby amended by adding thereto [a new section to read as follows:] the provisions set forth as sections 1.2 and 1.4 of this act.
- Sec. 1.2. <u>"Full trailer" means any commercial vehicle without motive</u> power supported by front and rear axles and pulled by a drawbar.
- Sec. 1.4. 1. A trailer [or semitrailer] may be registered for a [5-year] 3-year period as provided in this section.
- 2. A person who registers a trailer [or semitrailer] for a [5-year] 3-year period must pay upon registration all fees and taxes that would be due during the [5-year] 3-year period if he or she registered the trailer [or semitrailer] for 1 year and renewed that registration for [4] 2 consecutive years immediately thereafter, including, without limitation:
  - (a) Registration fees pursuant to NRS 482.480 and 482.483.
  - (b) A fee for each license plate issued pursuant to NRS 482.268.
- (c) Fees for the initial issuance and renewal of a special license plate pursuant to NRS 482,265, if applicable.
- (d) Fees for the initial issuance and renewal of a personalized prestige license plate pursuant to NRS 482.367, if applicable.
- (e) Additional fees for the initial issuance and renewal of a special license plate issued pursuant to NRS 482.3667 to 482.3823, inclusive, which are imposed to generate financial support for a particular cause or charitable organization, if applicable.
- (f) Governmental services taxes imposed pursuant to chapter 371 of NRS, as provided in NRS 482.260.
- (g) The applicable taxes imposed pursuant to chapters 372, 374, 377 and 377A of NRS.
- 3. As used in this section, the term "trailer" does not include a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483.
  - Sec. 1.5. NRS 482.010 is hereby amended to read as follows:
- 482.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 482.0105 to 482.137, inclusive, <u>and section 1.2 of this act</u> have the meanings ascribed to them in those sections.

- **Sec. 2.** NRS 482.206 is hereby amended to read as follows:
- 482.206 1. Except as otherwise provided in this section [-] and section [-] 1.4 of this act, every motor vehicle, except for a motor vehicle that is registered pursuant to the provisions of NRS 706.801 to 706.861, inclusive, and except for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483, must be registered for a period of 12 consecutive months beginning the day after the first registration by the owner in this State.
- 2. [Every] Except as otherwise provided in <u>subsection 7 and</u> section [11] <u>1.4 of this act</u>, every vehicle registered by an agent of the Department or a registered dealer must be registered for 12 consecutive months beginning the first day of the month after the first registration by the owner in this State.
- 3. [A] Except as otherwise provided in <u>subsection 7 and section [H] 1.4</u> of this act, a vehicle which must be registered through the Motor Carrier Division of the Department, or a motor vehicle which has a declared gross weight in excess of 26,000 pounds, must be registered for a period of 12 consecutive months beginning on the date established by the Department by regulation.
- 4. Upon the application of the owner of a fleet of vehicles, the Director may permit the owner to register the fleet on the basis of a calendar year.
- 5. [When] Except as otherwise provided in [subsection 6,] subsections 6 and 7, when the registration of any vehicle is transferred pursuant to NRS 482.399, the expiration date of each regular license plate, special license plate or substitute decal must, at the time of the transfer of registration, be advanced for a period of 12 consecutive months beginning:
- (a) The first day of the month after the transfer, if the vehicle is transferred by an agent of the Department; or
  - (b) The day after the transfer in all other cases,
- → and a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the current period of registration must be allowed pursuant to the applicable provisions of NRS 482.399.
- 6. When the registration of any trailer [or semitrailer] that is registered for a [5 year] 3-year period pursuant to section [1] 1.4 of this act is transferred pursuant to NRS 482.399, the expiration date of each license plate or substitute decal must, at the time of the transfer of the registration, be advanced, if applicable pursuant to section [1] 1.4 of this act, for a period of [5] 3 consecutive years beginning:
- (a) The first day of the month after the transfer, if the [semitrailer or] trailer is transferred by an agent of the Department; or
  - (b) The day after the transfer in all other cases,
- → and a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the current

period of registration must be allowed pursuant to the applicable provisions of NRS 482.399.

- 7. A full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 is registered until the date the owner of the full trailer or semitrailer:
- (a) Transfers the ownership of the full trailer or semitrailer; or
- (b) Cancels the registration of the full trailer or semitrailer and surrenders the license plates to the Department.
  - **Sec. 3.** NRS 482.260 is hereby amended to read as follows:
- 482.260 1. When registering a vehicle, the Department and its agents or a registered dealer shall:
- (a) Collect the fees for license plates and registration as provided for in this chapter.
- (b) Collect the governmental services tax on the vehicle, as agent for the State and for the county where the applicant intends to base the vehicle for the period of registration, unless the vehicle is deemed to have no base.
- (c) Collect the applicable taxes imposed pursuant to chapters 372, 374, 377 and 377A of NRS.
  - (d) Issue a certificate of registration.
- (e) If the registration is performed by the Department, issue the regular license plate or plates.
- (f) If the registration is performed by a registered dealer, provide information to the owner regarding the manner in which the regular license plate or plates will be made available to the owner.
- 2. Upon proof of ownership satisfactory to the Director, the Director shall cause to be issued a certificate of title as provided in this chapter.
- 3. Except as otherwise provided in NRS 371.070 [,] and [subsection 6,] subsections 6 and 7, every vehicle being registered for the first time in Nevada must be taxed for the purposes of the governmental services tax for a 12-month period.
- 4. The Department shall deduct and withhold 2 percent of the taxes collected pursuant to paragraph (c) of subsection 1 and remit the remainder to the Department of Taxation.
- 5. A registered dealer shall forward all fees and taxes collected for the registration of vehicles to the Department.
- 6. A [semitrailer or] trailer being registered pursuant to section [1] 1.4 of this act must be taxed for the purposes of the governmental services tax for a [5 year] 3-year period.
- 7. A full trailer or semitrailer being registered pursuant to subsection 3 of NRS 482.483 must be taxed for the purposes of the governmental services tax in the amount of \$86. The governmental services tax paid pursuant to this subsection is nontransferable and nonrefundable. The

# <u>Department shall remit the governmental services tax collected pursuant to</u> this subsection to the Department of Taxation.

- **Sec. 4.** NRS 482.2705 is hereby amended to read as follows:
- 482.2705 1. The Director shall order the preparation of vehicle license plates for passenger cars and trucks in the same manner as is provided for motor vehicles generally in NRS 482.270.
- 2. Except as otherwise provided by specific statute, the Director shall determine the combinations of letters and numbers which constitute the designations for license plates assigned to passenger cars and trucks.
- 3. Any license plate issued for a passenger car or truck before January 1, 1982, bearing a designation which is not in conformance with the system described in subsection 2 is valid during the period for which the plate was originally issued as well as during any [annual] extensions by stickers.

### Sec. 4.5. NRS 482.274 is hereby amended to read as follows:

- 482.274 1. The Director shall order the preparation of vehicle license plates for trailers in the same manner provided for motor vehicles in NRS 482.270 [+], except that a vehicle license plate prepared for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 is not required to have displayed upon it the month and year the registration expires.
- 2. The Director shall order preparation of two sizes of vehicle license plates for trailers. The smaller plates may be used for trailers with a gross vehicle weight of less than 1,000 pounds.
- 3. The Director shall determine the registration numbers assigned to trailers.
- 4. Any license plates issued for a trailer before July 1, 1975, bearing a different designation from that provided for in this section, are valid during the period for which such plates were issued.
- 5. The Department shall not issue for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 a special license plate available pursuant to NRS 482.3667 to 482.3823, inclusive.
  - **Sec. 5.** NRS 482.285 is hereby amended to read as follows:
- 482.285 1. If any certificate of registration or certificate of title is lost, mutilated or illegible, the person to whom it was issued shall immediately make application for and obtain a duplicate or substitute therefor upon furnishing information satisfactory to the Department and upon payment of the required fees.
- 2. If any license plate or plates or any decal is lost, mutilated or illegible, the person to whom it was issued shall immediately make application for and obtain:
  - (a) A duplicate number plate or a substitute number plate;
  - (b) A substitute decal; or

- (c) A combination of both (a) and (b),
- ⇒ as appropriate, upon furnishing information satisfactory to the Department and payment of the fees required by NRS 482.500.
- 3. If any license plate or plates or any decal is stolen, the person to whom it was issued shall immediately make application for and obtain:
  - (a) A substitute number plate;
  - (b) A substitute decal; or
  - (c) A combination of both (a) and (b),
- → as appropriate, upon furnishing information satisfactory to the Department and payment of the fees required by NRS 482.500.
- 4. The Department shall issue duplicate number plates or substitute number plates and, if applicable, a substitute decal, if the applicant:
- (a) Returns the mutilated or illegible plates to the Department or signs a declaration that the plates were lost, mutilated or illegible; and
  - (b) Complies with the provisions of subsection 6.
- 5. The Department shall issue substitute number plates and, if applicable, a substitute decal, if the applicant:
  - (a) Signs a declaration that the plates were stolen; and
  - (b) Complies with the provisions of subsection 6.
- 6. Except as otherwise provided in this subsection, an applicant who desires duplicate number plates or substitute number plates must make application for renewal of registration. [Credit] Except as otherwise provided in subsection 7 of NRS 482.260, credit must be allowed for the portion of the registration fee and governmental services tax attributable to the remainder of the current registration period. In lieu of making application for renewal of registration, an applicant may elect to make application solely for:
- (a) Duplicate number plates or substitute number plates, and a substitute decal, if the previous license plates were lost, mutilated or illegible; or
- (b) Substitute number plates and a substitute decal, if the previous license plates were stolen.
- 7. An applicant who makes the election described in subsection 6 retains the current date of expiration for the registration of the applicable vehicle and is not, as a prerequisite to receiving duplicate number plates or substitute number plates or a substitute decal, required to:
  - (a) Submit evidence of compliance with controls over emission; or
- (b) Pay the registration fee and governmental services tax attributable to a full <del>[12 month]</del> period of registration.
  - **Sec. 6.** NRS 482.3667 is hereby amended to read as follows:
- 482.3667 1. The Department shall establish, design and otherwise prepare for issue personalized prestige license plates and shall establish all necessary procedures not inconsistent with this section for the application and issuance of such license plates.

- 2. The Department shall issue personalized prestige license plates, upon payment of the prescribed fee, to any person who otherwise complies with the laws relating to the registration and licensing of motor vehicles or trailers for use on private passenger cars, motorcycles, trucks or trailers that such plates may not be issued for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483.
- 3. [Personalized] Except as otherwise provided in section [1] 1.4 of this act, personalized prestige license plates are valid for 12 months and are renewable upon expiration. These plates may be transferred from one vehicle or trailer to another if the transfer and registration fees are paid as set out in this chapter.
- 4. In case of any conflict, the person who first made application for personalized prestige license plates and has continuously renewed them by payment of the required fee has priority.
- 5. The Department may limit by regulation the number of letters and numbers used and prohibit the use of inappropriate letters or combinations of letters and numbers.
- 6. The Department shall not assign to any person not holding the relevant office any letters and numbers denoting that the holder holds a public office.
  - **Sec. 7.** NRS 482.367002 is hereby amended to read as follows:
- 482.367002 1. A person may request that the Department design, prepare and issue a special license plate by submitting an application to the Department. A person may submit an application for a special license plate that is intended to generate financial support for an organization only if:
- (a) For an organization which is not a governmental entity, the organization is established as a nonprofit charitable organization which provides services to the community relating to public health, education or general welfare;
- (b) For an organization which is a governmental entity, the organization only uses the financial support generated by the special license plate for charitable purposes relating to public health, education or general welfare;
- (c) The organization is registered with the Secretary of State, if registration is required by law, and has filed any documents required to remain registered with the Secretary of State;
- (d) The name and purpose of the organization do not promote, advertise or endorse any specific product, brand name or service that is offered for profit;
  - (e) The organization is nondiscriminatory; and
- (f) The license plate will not promote a specific religion, faith or antireligious belief.
  - $2. \quad \text{An application submitted to the Department pursuant to subsection 1:} \\$
  - (a) Must be on a form prescribed and furnished by the Department;

- (b) Must specify whether the special license plate being requested is intended to generate financial support for a particular cause or charitable organization and, if so, the name of the cause or charitable organization;
- (c) Must include proof that the organization satisfies the requirements set forth in subsection 1;
- (d) Must be accompanied by a surety bond posted with the Department in the amount of \$5,000; and
- (e) May be accompanied by suggestions for the design of and colors to be used in the special license plate.
- 3. The Department may design and prepare a special license plate requested pursuant to subsection 1 if:
- (a) The Department determines that the application for that plate complies with subsection 2; and
- (b) The Commission on Special License Plates approves the application for that plate pursuant to subsection 5 of NRS 482.367004.
- 4. Except as otherwise provided in NRS 482.367008, the Department may issue a special license plate that:
  - (a) The Department has designed and prepared pursuant to this section;
- (b) The Commission on Special License Plates has approved for issuance pursuant to subsection 5 of NRS 482.367004; and
  - (c) Complies with the requirements of subsection 7 of NRS 482.270,
- → for any passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with a special license plate issued pursuant to this section if that person pays the fees for personalized prestige license plates in addition to the fees for the special license plate.
- 5. The Department must promptly release the surety bond posted pursuant to subsection 2:
- (a) If the Department or the Commission on Special License Plates determines not to issue the special license plate; or
- (b) If it is determined that at least 1,000 special license plates have been issued pursuant to the assessment of the viability of the design of the special license plate conducted pursuant to NRS 482.367008.
- 6. If, during a registration **[year,]** *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the

- registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 8.** NRS 482.3747 is hereby amended to read as follows:
- 482.3747 1. The Department, in cooperation with the Board of Regents and the athletic departments of the University of Nevada, Reno, and the University of Nevada, Las Vegas, shall design, prepare and issue collegiate license plates, using any appropriate colors and designs to represent each university.
- 2. The Department may issue collegiate license plates for any passenger car or light commercial vehicle upon application by any person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with collegiate license plates if that person pays the fees for the personalized prestige license plates in addition to the fees for the collegiate license plates pursuant to subsections 3 and 4.
- 3. The fee for the collegiate license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. Collegiate license plates are renewable upon the payment of \$10.
- 4. In addition to all fees for the license, registration and governmental services taxes, a person who requests a collegiate license plate shall pay for the initial issuance of a plate an additional fee of \$25 and for each renewal of the plate an additional fee of \$20 for academic and athletic scholarships to students of the University of Nevada, Reno, and the University of Nevada, Las Vegas.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the Collegiate License Plate Account in the State General Fund created pursuant to NRS 396.384.
- 6. If, during a registration **[year,]** *period*, the holder of collegiate plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder may retain the plates and:
- (a) Affix them to another vehicle which meets the requirements of this section if the transfer and registration fees are paid as set out in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 9.** NRS 482.3748 is hereby amended to read as follows:
- 482.3748 1. Except as otherwise provided in this section, the Department, in cooperation with the Grand Lodge of Free and Accepted Masons of the State of Nevada, shall design, prepare and issue license plates

that indicate affiliation with the Grand Lodge of Free and Accepted Masons using any colors and designs which the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.

- 2. The Department shall issue license plates that indicate affiliation with the Grand Lodge of Free and Accepted Masons for a passenger car or a light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates that indicate affiliation with the Grand Lodge of Free and Accepted Masons if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates that indicate affiliation with the Grand Lodge of Free and Accepted Masons.
- 3. An application for the issuance or renewal of license plates that indicate affiliation with the Grand Lodge of Free and Accepted Masons is void unless it has been stamped or otherwise validated by the Grand Lodge of Free and Accepted Masons. The Grand Lodge of Free and Accepted Masons may charge a fee for validating an application.
- 4. The fee payable to the Department for license plates that indicate affiliation with the Grand Lodge of Free and Accepted Masons is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment to the Department of \$10 in addition to all other applicable registration and license fees and governmental services taxes.
- 5. If, during a registration **[year,]** *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder may retain the plates and:
- (a) Affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set out in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
- 6. For the purposes of this section, "Grand Lodge of Free and Accepted Masons" means the Grand Lodge of Free and Accepted Masons of the State of Nevada, or its successor, and any recognized sister jurisdiction or organization of the Grand Lodge of Free and Accepted Masons.
  - **Sec. 10.** NRS 482.3749 is hereby amended to read as follows:
- 482.3749 1. The Department shall, in cooperation with the Nevada Commission on Sports and using any colors and designs that the Department deems appropriate, design, prepare and issue license plates which indicate

status as a hall of fame athlete. The design of the license plates must include the words "hall of fame."

- 2. The Department shall issue license plates that indicate status as a hall of fame athlete for a passenger car or a light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates that indicate status as a hall of fame athlete if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates that indicate status as a hall of fame athlete.
- 3. An application for the issuance or renewal of license plates that indicate status as a hall of fame athlete is void unless it is accompanied by documentation which, in the determination of the Department, provides reasonable proof of identity and status as a hall of fame athlete.
- 4. In addition to all other applicable registration and license fees and governmental services taxes:
- (a) A person who requests license plates that indicate status as a hall of fame athlete shall pay a fee to the Department of \$35.
- (b) License plates that indicate status as a hall of fame athlete are renewable upon the payment to the Department of \$10.
- 5. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder may retain the plates and:
- (a) Affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set forth in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
- 6. As used in this section, "hall of fame athlete" means a current or former athlete who has been inducted into a hall of fame pertaining to the sport in which the athlete participates or participated, including, but not limited to:
- (a) The National Baseball Hall of Fame, located in Cooperstown, New York.
  - (b) The Basketball Hall of Fame, located in Springfield, Massachusetts.
  - (c) The Pro Football Hall of Fame, located in Canton, Ohio.
  - (d) The Hockey Hall of Fame, located in Toronto, Ontario, Canada.
  - (e) The National Soccer Hall of Fame, located in Oneonta, New York.
- (f) The International Tennis Hall of Fame, located in Newport, Rhode Island.

- (g) The Pro Rodeo Hall of Fame, located in Colorado Springs, Colorado.
- (h) Any hall of fame which has been established at a university, state college or community college within the Nevada System of Higher Education.

#### Sec. 10.5. NRS 482.375 is hereby amended to read as follows:

- 482.375 1. An owner of a motor vehicle who is a resident of the State of Nevada and who holds an unrevoked and unexpired official amateur radio station license issued by the Federal Communications Commission, upon application accompanied by proof of ownership of that license, complying with the state motor vehicle laws relating to registration and licensing of motor vehicles, and upon the payment of the regular license fee for plates as prescribed by law, and the payment of an additional fee of \$35, must be issued a license plate or plates, upon which in lieu of the numbers as prescribed by law must be inscribed the words "RADIO AMATEUR" and the official amateur radio call letters of the applicant as assigned by the Federal Communications Commission. The annual fee for a renewal sticker is \$10 unless waived by the Department pursuant to subsection 2. The plate or plates may be used only on a private passenger car, trailer or travel trailer or on a noncommercial truck [...], except that such plates may not be used on a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483.
- 2. The Department may waive the annual fee for a renewal sticker if the applicant for renewal:
- (a) Submits with the application for renewal a statement under penalty of perjury that the applicant will assist in communications during local, state and federal emergencies; and
- (b) Satisfies any other requirements established by the Department by regulation for such a waiver.
- 3. The cost of the die and modifications necessary for the issuance of a license plate pursuant to this section must be paid from private sources without any expense to the State of Nevada.
  - 4. The Department may adopt regulations:
- (a) To ensure compliance with all state license laws relating to the use and operation of a motor vehicle before issuance of the plates in lieu of the regular Nevada license plate or plates.
- (b) Setting forth the requirements and procedure for obtaining a waiver of the annual fee for a renewal sticker.
- 5. All applications for the plates authorized by this section must be made to the Department.
  - **Sec. 11.** NRS 482.3753 is hereby amended to read as follows:
- 482.3753 1. Except as otherwise provided in this section, the Department, in cooperation with professional full-time salaried firefighters in

the State of Nevada, shall design, prepare and issue license plates that recognize current or former employment as a professional full-time salaried firefighter using any colors and designs which the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.

- 2. The Department shall issue license plates that recognize current or former employment as a professional full-time salaried firefighter for a passenger car or a light commercial vehicle upon application by a qualified person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates that recognize current or former employment as a professional full-time salaried firefighter if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates that recognize current or former employment as a professional full-time salaried firefighter.
- 3. An application for the issuance or renewal of license plates that recognize current or former employment as a professional full-time salaried firefighter is void unless it is accompanied by documentation which, in the determination of the Department, provides reasonable proof of the identity of the applicant and proof of the applicant's:
  - (a) Current employment as a professional full-time salaried firefighter; or
- (b) Status as a former professional full-time salaried firefighter who retired from employment after completing at least 10 years of creditable service as a firefighter within this State with:
  - (1) A fire department; or
- (2) A federal or state agency, the duties of which involve the prevention and suppression of fires, including, without limitation, the Bureau of Land Management and the Division of Forestry of the State Department of Conservation and Natural Resources.
- 4. Proof of an applicant's current or former employment as a professional full-time salaried firefighter must consist of:
- (a) An identification card issued by the Professional Fire Fighters of Nevada or its successor;
- (b) An identification card issued by the Nevada Fire Chiefs Association or its successor: or
- (c) A letter certifying the applicant's current or former employment as a professional full-time salaried firefighter, which letter must be from:
  - (1) The Professional Fire Fighters of Nevada or its successor;
  - (2) The Nevada Fire Chiefs Association or its successor: or

- (3) The chief officer of a federal or state agency, the duties of which involve the prevention and suppression of fires, including, without limitation, the Bureau of Land Management and the Division of Forestry of the State Department of Conservation and Natural Resources.
- 5. The fee payable to the Department for license plates that recognize current or former employment as a professional full-time salaried firefighter is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment to the Department of \$10 in addition to all other applicable registration and license fees and governmental services taxes.
- 6. In addition to all other applicable registration and license fees and governmental services taxes and the fees prescribed in subsection 5, a person who requests a set of license plates that recognize current or former employment as a professional full-time salaried firefighter must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20 to support the Professional Fire Fighters of Nevada Benevolent Association.
- 7. The Department shall deposit the fees collected pursuant to subsection 6 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this subsection to the Professional Fire Fighters of Nevada Benevolent Association.
- 8. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set out in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
- 9. As used in this section, "professional full-time salaried firefighter" means a person employed in this State in a full-time salaried occupation of fire fighting for the benefit or safety of the public.
  - **Sec. 12.** NRS 482.3754 is hereby amended to read as follows:
- 482.3754 1. Except as otherwise provided in this section, the Department, in cooperation with the Nevada State Firefighters' Association or its successor, shall design, prepare and issue license plates that recognize current or former service as a volunteer firefighter using any colors and designs which the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.

- 2. The Department shall issue license plates that recognize current or former service as a volunteer firefighter for a passenger car or a light commercial vehicle upon application by a qualified person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates that recognize current or former service as a volunteer firefighter if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates that recognize current or former service as a volunteer firefighter.
- 3. An application for the issuance or renewal of license plates that recognize current or former service as a volunteer firefighter is void unless it is accompanied by documentation which, in the determination of the Department, provides reasonable proof of the identity of the applicant and proof of the applicant's current service as a volunteer firefighter or status as a former volunteer firefighter who retired from service as a volunteer firefighter within this State after completing at least 10 years of active service. Proof of an applicant's current or former service as a volunteer firefighter must consist of:
- (a) An identification card which indicates that the applicant currently serves as a volunteer firefighter; or
- (b) A letter from the chief officer of a volunteer or combination fire department certifying the applicant's current or former service as a volunteer firefighter.
- 4. The fee payable to the Department for license plates that recognize current or former service as a volunteer firefighter is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment to the Department of \$10 in addition to all other applicable registration and license fees and governmental services taxes.
- 5. In addition to all other applicable registration and license fees and governmental services taxes and the fees prescribed in subsection 4, a person who requests a set of license plates that recognize current or former service as a volunteer firefighter must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20 to support the training of volunteer firefighters.
- 6. The Department shall deposit the fees collected pursuant to subsection 5 with the State Treasurer for credit to the State General Fund. The State Treasurer shall account separately for the money deposited pursuant to this subsection and reserve such money for expenditure by the State Fire Marshal in accordance with this subsection. The State Fire Marshal may expend the money reserved pursuant to this subsection solely for the support of, and to

pay expenses related to, training for volunteer firefighters provided by or as directed by the Board of Directors of the Nevada State Firefighters' Association or its successor.

- 7. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set out in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - 8. As used in this section:
  - (a) "Combination fire department" means a fire department that is:
  - (1) Served by both volunteer and full-time salaried firefighters; and
  - (2) Recognized as such by the State Fire Marshal.
- (b) "Volunteer fire department" means a fire department recognized as a bona fide volunteer fire department by the State Fire Marshal.
- (c) "Volunteer firefighter" means a person who serves actively in an unpaid capacity in a volunteer or combination fire department within this State as a firefighter for the benefit or safety of the public.
  - **Sec. 13.** NRS 482.3763 is hereby amended to read as follows:
- 482.3763 1. The Director shall order the preparation of special license plates for the support of outreach programs and services for veterans and their families and establish procedures for the application for and issuance of the plates.
- 2. The Department shall, upon application therefor and payment of the prescribed fees, issue special license plates for the support of outreach programs and services for veterans and their families to:
- (a) A veteran of the Army, Navy, Air Force, Marine Corps or Coast Guard of the United States, a reserve component thereof or the National Guard;
  - (b) A female veteran; or
- (c) The spouse, parent or child of a person described in paragraph (a) or (b).
- → The plates must be inscribed with the word "VETERAN" and with the seal of the branch of the Armed Forces of the United States, the seal of the National Guard or an image representative of the female veterans, as applicable, requested by the applicant. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with special license plates for the support of outreach programs and services for veterans and their families if that person pays the fees for the personalized prestige license plates in addition to the fees for the special

license plates for the support of outreach programs and services for veterans and their families pursuant to subsection 4.

- 3. If, during a registration [year,] *period*, the holder of special plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle which meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
- 4. In addition to all other applicable registration and license fees and governmental services taxes, and to the special fee imposed pursuant to NRS 482.3764 for the support of outreach programs and services for veterans and their families, the fee for:
  - (a) The initial issuance of the special license plates is \$35.
  - (b) The annual renewal sticker is \$10.
- 5. If the special plates issued pursuant to this section are lost, stolen or mutilated, the owner of the vehicle may secure a set of replacement license plates from the Department for a fee of \$10.
  - **Sec. 14.** NRS 482.379 is hereby amended to read as follows:
- 482.379 1. The Director may order the design and preparation of license plates which commemorate the 125th anniversary of Nevada's admission into the Union and establish the procedures for the application and issuance of the plates.
- 2. The Department may designate any colors, numbers and letters for the commemorative plates.
- 3. A person who is entitled to license plates pursuant to NRS 482.265 may apply for commemorative license plates.
- 4. The fee for the commemorative license plates is \$10, in addition to all other applicable registration and license fees and governmental services taxes. If a person is eligible for and applies for any special license plates issued pursuant to NRS 482.3667, 482.3672, 482.3675, 482.368 or 482.370 to 482.3825, inclusive, and applies to have those special license plates combined with commemorative plates, the person must pay the fees for the special license plates in addition to the fee for the commemorative plates.
- 5. In addition to all fees for the license, registration and governmental services taxes, a person who is eligible for and applies for commemorative plates must pay \$25 for the celebration of the 125th anniversary of Nevada's admission into the Union. The fees for the license, registration, and governmental services taxes and the charge for the celebration may be paid with a single check.

- 6. Commemorative plates are renewable upon the payment of \$10.
- 7. If during a registration **[year,]** *period*, the holder of commemorative plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder may retain the plates and:
- (a) Within 30 days after removing the plates from the vehicle, return them to the Department; or
- (b) Affix them to another vehicle which meets the requirements of this section if the transfer and registration fees are paid as is provided for in this chapter.
- 8. Except as otherwise provided by subsection 10, if a commemorative license plate or set of license plates issued pursuant to the provisions of this section is lost, stolen or mutilated, the owner of the vehicle may secure a replacement license plate or set of replacement license plates, as the case may be, from the Department upon payment of the fees set forth in subsection 2 of NRS 482.500.
- 9. The Department shall, for each set of commemorative license plates that it issues:
- (a) Deposit the \$25 collected for the celebration of the 125th anniversary of Nevada's admission into the Union with the State Treasurer for credit to the Account for Nevada's 125th Anniversary in the State General Fund;
- (b) Deposit \$7.50 with the State Treasurer for credit to the Motor Vehicle Fund pursuant to the provisions of NRS 482.180; and
- (c) Deposit \$2.50 with the State Treasurer for credit to the Department to reimburse the Department for the cost of manufacturing the license plates.
  - 10. The Department shall not:
  - (a) Issue the commemorative license plates after October 31, 1990.
  - (b) Issue replacement commemorative license plates after June 30, 1995.
  - **Sec. 15.** NRS 482.37903 is hereby amended to read as follows:
- 482.37903 1. Except as otherwise provided in this subsection, the Department, in cooperation with the Board of Museums and History of the Department of Tourism and Cultural Affairs, shall design, prepare and issue license plates which commemorate the 100th anniversary of the founding of the City of Las Vegas, using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the commemorative license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of the commemorative license plates, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued

pursuant to NRS 482.3667 be combined with the commemorative license plates if that person pays the fees for the personalized prestige license plates in addition to the fees for the commemorative license plates pursuant to subsections 3 and 4.

- 3. The fee for the commemorative license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of the commemorative license plates must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees to the City Treasurer of the City of Las Vegas to be used to pay for projects relating to the commemoration of the history of the City of Las Vegas, including, without limitation, historical markers, tours of historic sites and improvements to or restoration of historic buildings or structures.
- 6. If, during a registration [year,] *period*, the holder of the commemorative license plates disposes of the vehicle to which the commemorative license plates are affixed, the holder shall:
- (a) Retain the commemorative license plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the commemorative license plates from the vehicle, return them to the Department.
  - **Sec. 16.** NRS 482.37905 is hereby amended to read as follows:
- 482.37905 1. Except as otherwise provided in this subsection, the Department, in cooperation with the organizations in this State which assist in the donation and procurement of human organs, shall design, prepare and issue license plates that encourage the donation of human organs using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of license plates that encourage the donation of human organs, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that

personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates that encourage the donation of human organs if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates which encourage the donation of human organs pursuant to subsections 3 and 4.

- 3. The fee for license plates to encourage the donation of human organs is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who, on or after July 1, 2003:
- (a) Requests a set of license plates to encourage the donation of human organs must pay for the initial issuance of the plates an additional fee of \$25, to be deposited pursuant to subsection 5; and
- (b) Renews a set of license plates to encourage the donation of human organs must pay for each renewal of the plates an additional fee of \$20, to be deposited pursuant to subsection 5.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the Anatomical Gift Account created in the State General Fund by NRS 460.150.
- 6. If, during a registration **[year,]** *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.

**Sec. 17.** NRS 482.37917 is hereby amended to read as follows:

482.37917 1. Except as otherwise provided in this subsection and NRS 482.38279, the Department, in cooperation with the State Department of Agriculture and the Nevada Future Farmers of America Foundation or its successor, shall design, prepare and issue license plates which indicate support for the promotion of agriculture within this State, including, without limitation, support for the programs and activities of the Future Farmers of America or its successor within this State, using any colors that the Department deems appropriate. The design of the license plates must include the phrase "People Grow Things Here!" and an identifying symbol furnished by the Nevada Future Farmers of America Foundation or its successor. The

Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.

- 2. If the Department receives at least 250 applications for the issuance of license plates which indicate support for the promotion of agriculture within this State, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates which indicate support for the promotion of agriculture within this State if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates which indicate support for the promotion of agriculture within this State pursuant to subsections 3 and 4.
- 3. The fee for license plates which indicate support for the promotion of agriculture within this State is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates which indicate support for the promotion of agriculture within this State must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed in accordance with subsection 5.
- 5. Except as otherwise provided in NRS 482.38279, the Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this section in the following manner:
- (a) Remit one-half of the fees to the Nevada Future Farmers of America Foundation or its successor for the support of programs and activities of the Future Farmers of America or its successor within this State.
- (b) Deposit one-half of the fees for credit to the Account for License Plates for the Promotion of Agriculture Within this State created pursuant to NRS 561.411.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or

- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 18.** NRS 482.379175 is hereby amended to read as follows:
- 482.379175 1. Except as otherwise provided in this subsection and NRS 482.38279, the Department shall design, prepare and issue license plates for the appreciation of animals, using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of license plates for the appreciation of animals, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the appreciation of animals if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the appreciation of animals pursuant to subsections 3 and 4.
- 3. The fee for license plates for the appreciation of animals is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the appreciation of animals must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed in the manner prescribed in subsection 5.
- 5. Except as otherwise provided in NRS 482.38279, the Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute to each county the fees collected for the preceding quarter for license plates for vehicles registered in that county. The money may be used by the county only:
- (a) For programs that are approved by the board of county commissioners for the adoption of animals and for the spaying and neutering of animals.
- (b) To make grants to nonprofit organizations to carry out the programs described in paragraph (a).
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:

- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set forth in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 19.** NRS 482.37918 is hereby amended to read as follows:
- 482.37918 1. Except as otherwise provided in this subsection and NRS 482.38279, the Department, in cooperation with the Nevada Test Site Historical Foundation or its successor, shall design, prepare and issue license plates for the support of the preservation of the history of atomic testing in Nevada, using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of license plates for the support of the preservation of the history of atomic testing in Nevada, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of the preservation of the history of atomic testing in Nevada if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of the preservation of the history of atomic testing in Nevada pursuant to subsections 3 and 4.
- 3. The fee for license plates for the support of the preservation of the history of atomic testing in Nevada is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support of the preservation of the history of atomic testing in Nevada must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. Except as otherwise provided in NRS 482.38279, the Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this subsection to the Nevada Test Site Historical Foundation or its successor for its programs and activities in support of the preservation of the history of atomic testing in Nevada.

- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set forth in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 20.** NRS 482.379185 is hereby amended to read as follows:
- 482.379185 1. Except as otherwise provided in this subsection and NRS 482.38279, the Department, in cooperation with Nevada Ducks Unlimited or its successor, shall design, prepare and issue license plates for the support of the conservation of wetlands, using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 1,000 applications for the issuance of those plates.
- 2. If the Department receives at least 1,000 applications for the issuance of license plates for the support of the conservation of wetlands, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of the conservation of wetlands if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of the conservation of wetlands pursuant to subsections 3 and 4.
- 3. The fee for license plates for the support of the conservation of wetlands is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support of the conservation of wetlands must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. Except as otherwise provided in NRS 482.38279, the Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this subsection to the

Treasurer of Nevada Ducks Unlimited or its successor for use by Nevada Ducks Unlimited or its successor in carrying out:

- (a) Projects for the conservation of wetlands that are:
- (1) Conducted within Nevada; and
- (2) Sponsored or participated in by Nevada Ducks Unlimited or its successor; and
  - (b) Fundraising activities for the conservation of wetlands that are:
  - (1) Conducted within Nevada; and
- (2) Sponsored or participated in by Nevada Ducks Unlimited or its successor.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
- 7. As used in this section, "wetland" has the meaning ascribed to it in NRS 244.388.
  - **Sec. 21.** NRS 482.37919 is hereby amended to read as follows:
- 482.37919 1. Except as otherwise provided in this subsection, the Department shall, in cooperation with the Board of Directors of the Las Vegas Valley Water District, design, prepare and issue license plates to support the desert preserve established by the Board of Directors of the Las Vegas Valley Water District. The license plates may include any colors and designs that the Department deems appropriate.
- 2. The Department may issue license plates specified in subsection 1 for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to the provisions of NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to the provisions of this chapter. A person may request that personalized prestige license plates issued pursuant to the provisions of NRS 482.3667 be combined with license plates specified in subsection 1 if that person pays, in addition to the fees specified in subsections 3 and 4, the fees for the personalized prestige license plates.
- 3. The fee for license plates specified in subsection 1 is \$35. The fee is in addition to any other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.

- 4. In addition to the fees for the license, registration and governmental services taxes, a person who requests the issuance of license plates specified in subsection 1 must pay:
  - (a) For the initial issuance of the plates, an additional fee of \$25; and
- (b) For each renewal of the plates, an additional \$20 to support the desert preserve specified in subsection 1.
- 5. The Department shall deposit the fees collected pursuant to the provisions of subsection 4 with the State Treasurer for credit to an Account for the Support of the Desert Preserve established by the Board of Directors of the Las Vegas Valley Water District. On or before January 1, April 1, July 1 and October 1 of each year, the State Controller shall distribute the money deposited in the Account for the preceding quarter to the Board of Directors of the Las Vegas Valley Water District.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder may retain the plates and:
- (a) Affix the license plates to another vehicle that meets the requirements of this section if the transfer and registration fees are paid pursuant to the provisions of this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return the plates to the Department.
  - **Sec. 22.** NRS 482.3792 is hereby amended to read as follows:
- 482.3792 1. Except as otherwise provided in this subsection, the Department of Motor Vehicles shall, in cooperation with the Nevada Arts Council of the Department of Tourism and Cultural Affairs, design, prepare and issue license plates for the support of the education of children in the arts, using any colors and designs which the Department of Motor Vehicles deems appropriate. The Department of Motor Vehicles shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. The Department of Motor Vehicles may issue license plates for the support of the education of children in the arts for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of the education of children in the arts if that person pays the fee for the personalized prestige license plates in addition to the fees for the license plates for the support of the education of children in the arts pursuant to subsections 3 and 4.

- 3. The fee for license plates for the support of the education of children in the arts is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all fees for the license, registration and governmental services taxes, a person who requests a set of license plates for the support of the education of children in the arts must pay for the initial issuance of the plates an additional fee of \$15 and for each renewal of the plates an additional fee of \$10 to finance programs which promote the education of children in the arts.
- 5. The Department of Motor Vehicles shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the Account for License Plates for the Support of the Education of Children in the Arts created pursuant to NRS 233C.094.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle which meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department of Motor Vehicles.
  - **Sec. 23.** NRS 482.3793 is hereby amended to read as follows:
- 482.3793 1. Except as otherwise provided in this subsection, the Department, in cooperation with the Director of the Clearinghouse established pursuant to NRS 432.170, shall design, prepare and issue license plates for the support of missing or exploited children. The license plates must be inscribed with a hand. The Department may designate any appropriate colors for the license plates. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. The Department may issue license plates for the support of missing or exploited children for any passenger car or light commercial vehicle upon application by any person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of missing or exploited children if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of missing or exploited children pursuant to subsections 3 and 4.

- 3. The fee for license plates for the support of missing or exploited children is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all fees for the license, registration and governmental services taxes, a person who requests a set of license plates for the support of missing or exploited children must pay for the initial issuance of the plates an additional fee of \$15 and for each renewal of the plates an additional fee of \$10 to carry out the provisions of NRS 432.150 to 432.220, inclusive.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the Account for License Plates for the Support of Missing or Exploited Children created pursuant to NRS 432.154.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder may retain the plates and:
- (a) Affix them to another vehicle which meets the requirements of this section if the transfer and registration fees are paid as set out in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 24.** NRS 482.37933 is hereby amended to read as follows:
- 482.37933 1. Except as otherwise provided in this subsection, the Department, in cooperation with the Division of State Lands of the State Department of Conservation and Natural Resources, shall design, prepare and issue license plates for the support of the preservation and restoration of the natural environment of the Lake Tahoe Basin using any colors that the Department deems appropriate. The design of the license plates must include a depiction of Lake Tahoe and its surrounding area. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. The Department may issue license plates for the support of the preservation and restoration of the natural environment of the Lake Tahoe Basin for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of the preservation and restoration of the natural environment of the Lake Tahoe Basin if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of the preservation and restoration of the natural environment of the Lake Tahoe Basin pursuant to subsections 3 and 4.

- 3. The fee for license plates for the support of the preservation and restoration of the natural environment of the Lake Tahoe Basin is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all fees for the license, registration and governmental services taxes, a person who requests a set of license plates for the support of the preservation and restoration of the natural environment of the Lake Tahoe Basin must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20 to finance projects for the preservation and restoration of the natural environment of the Lake Tahoe Basin.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the Account for License Plates for the Support of the Preservation and Restoration of the Natural Environment of the Lake Tahoe Basin created pursuant to NRS 321.5951.
- 6. If, during a registration **[year,]** *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder may retain the plates and:
- (a) Affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set out in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 25.** NRS 482.37934 is hereby amended to read as follows:
- 482.37934 1. Except as otherwise provided in this subsection and NRS 482.38279, the Department, in cooperation with the Outside Las Vegas Foundation or its successor, shall design, prepare and issue license plates to support preserving the federal lands surrounding Las Vegas, promoting community stewardship of those valuable resources, enriching visitors' experience and enhancing the quality of life of local residents, using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of license plates pursuant to this section, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates issued pursuant to this section if that person pays the fees for the personalized prestige

license plates in addition to the fees prescribed pursuant to subsections 3 and 4 for the license plates issued pursuant to this section.

- 3. The fee for license plates issued pursuant to this section is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates pursuant to this section must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20 to be distributed pursuant to subsection 5.
- 5. Except as otherwise provided in NRS 482.38279, the Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this section to the Outside Las Vegas Foundation or its successor for its programs and activities in support of preserving the federal lands surrounding Las Vegas, promoting community stewardship of those valuable resources, enriching visitors' experience and enhancing the quality of life of local residents.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set forth in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 26.** NRS 482.37935 is hereby amended to read as follows:
- 482.37935 1. Except as otherwise provided in this subsection, the Department, in cooperation with the Division of State Lands of the State Department of Conservation and Natural Resources, shall design, prepare and issue license plates for the support of the natural environment of the Mount Charleston area using any colors that the Department deems appropriate. The design of the license plates must include a depiction of Mount Charleston and its surrounding area. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of license plates for the support of the natural environment of the Mount Charleston area, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person

may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of the natural environment of the Mount Charleston area if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of the natural environment of the Mount Charleston area pursuant to subsections 3 and 4.

- 3. The fee for license plates for the support of the natural environment of the Mount Charleston area is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support of the natural environment of the Mount Charleston area must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this subsection to the Board of County Commissioners of Clark County. The fees distributed pursuant to this subsection:
- (a) May be used by the Board of County Commissioners, with the advice of the Mount Charleston Town Advisory Board or its successor, only:
- (1) For the support of programs for the natural environment of the Mount Charleston area, including, without limitation, programs to improve the wildlife habitat, the ecosystem, the forest, public access to the area and its recreational use.
- (2) To make grants to governmental entities and nonprofit organizations to carry out the programs described in subparagraph (1).
- (b) Must not be used to replace or supplant money available from other sources.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.

**Sec. 27.** NRS 482.379355 is hereby amended to read as follows:

482.379355 1. Except as otherwise provided in this subsection and NRS 482.38279, the Department, in cooperation with the Immigrant Workers Citizenship Project or its successor, shall design, prepare and issue license plates for the support of naturalized citizenship, using any colors and designs that the Department deems appropriate. The design of the license plates must include a depiction of the Aztec Calendar. The Department shall not design, prepare or issue the license plates unless it receives at least 1,000 applications for the issuance of those plates.

- 2. If the Department receives at least 1,000 applications for the issuance of license plates for the support of naturalized citizenship, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of naturalized citizenship if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of naturalized citizenship pursuant to subsections 3 and 4.
- 3. The fee for license plates for the support of naturalized citizenship is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support of naturalized citizenship must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. Except as otherwise provided in NRS 482.38279, the Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this subsection to the Immigrant Workers Citizenship Project or its successor for its programs and charitable activities in support of naturalized citizenship.
- 6. If, during a registration **[year,]** *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the

registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or

- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 28.** NRS 482.379365 is hereby amended to read as follows:
- 482.379365 1. Except as otherwise provided in this subsection, the Department, in cooperation with the State Emergency Response Commission, shall design, prepare and issue "United We Stand" license plates to reflect public solidarity after the acts of terrorism committed on September 11, 2001. The design of the license plates must include the phrase "United We Stand" and incorporate an image of the flag of the United States. The colors red, white and blue must be displayed on the license plates. The Department shall not design, prepare or issue the license plates unless it receives at least 1,000 applications for the issuance of those plates.
- 2. If the Department receives at least 1,000 applications for the issuance of "United We Stand" license plates, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with "United We Stand" license plates if that person pays the fees for the personalized prestige license plates in addition to the fees for the "United We Stand" license plates pursuant to subsections 3 and 4.
- 3. The fee for "United We Stand" license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of "United We Stand" license plates must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the Contingency Account for Hazardous Materials created by NRS 459.735 in the State General Fund.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or

- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 29.** NRS 482.37937 is hereby amended to read as follows:
- 482.37937 1. Except as otherwise provided in this subsection, the Department, in cooperation with the Pyramid Lake Paiute Tribe, shall design, prepare and issue license plates for the support of the preservation and restoration of the natural environment of the Lower Truckee River and Pyramid Lake using any colors that the Department deems appropriate. The design of the license plates must include a depiction of Pyramid Lake and its surrounding area. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of license plates for the support of the preservation and restoration of the natural environment of the Lower Truckee River and Pyramid Lake, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of the preservation and restoration of the natural environment of the Lower Truckee River and Pyramid Lake if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of the preservation and restoration of the natural environment of the Lower Truckee River and Pyramid Lake pursuant to subsections 3 and 4.
- 3. The fee for license plates for the support of the preservation and restoration of the natural environment of the Lower Truckee River and Pyramid Lake is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support of the preservation and restoration of the natural environment of the Lower Truckee River and Pyramid Lake must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to

this subsection to the Pyramid Lake Paiute Tribe. The fees deposited pursuant to this subsection may only be used to:

- (a) Protect, restore and enhance the water quality and natural resources of or relating to the Lower Truckee River and Pyramid Lake, including, without limitation:
- (1) Providing matching money for grants that are available from federal or state agencies for such purposes; and
- (2) Paying the costs of the Tribe's portion of joint projects with local, state or federal agencies for such purposes.
- (b) Pay for, or match grants for, projects for the enhancement of the economic development of the area surrounding the Lower Truckee River and Pyramid Lake.
- (c) Pay for the development and construction of an arena on the Pyramid Lake Indian Reservation for activities pertaining to fairgrounds or rodeos, or both, and to provide financial support for the establishment of a rodeo team or other designated activities at Pyramid Lake High School. Until October 1, 2006, 25 percent of the fees deposited pursuant to this subsection must be used for the purposes described in this paragraph.
- 6. If, during a registration **[year,]** *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 30.** NRS 482.379375 is hereby amended to read as follows:
- 482.379375 1. Except as otherwise provided in this subsection, the Department, in cooperation with the Reno Recreation and Parks Commission or its successor, shall design, prepare and issue license plates for the support and enhancement of parks, recreation facilities and programs in the City of Reno, using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless:
- (a) The Commission on Special License Plates approves the design, preparation and issuance of those plates as described in NRS 482.367004; and
- (b) The Department receives at least 1,000 applications for the issuance of those plates.
- 2. If the Commission on Special License Plates approves the design, preparation and issuance of license plates for the support and enhancement of parks, recreation facilities and programs in the City of Reno pursuant to

subsection 1, and the Department receives at least 1,000 applications for the issuance of the license plates, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support and enhancement of parks, recreation facilities and programs in the City of Reno if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support and enhancement of parks, recreation facilities and programs in the City of Reno pursuant to subsections 3 and 4.

- 3. The fee for license plates for the support and enhancement of parks, recreation facilities and programs in the City of Reno is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support and enhancement of parks, recreation facilities and programs in the City of Reno must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20 to be distributed pursuant to subsection 5.
- 5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this section to the City Treasurer of the City of Reno to be used to pay for the support and enhancement of parks, recreation facilities and programs in the City of Reno.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 31.** NRS 482.37938 is hereby amended to read as follows:
- 482.37938 1. Except as otherwise provided in this subsection and NRS 482.38279, the Department, in cooperation with the Reno Rodeo Foundation and the Nevada High School Rodeo Association or their successors, shall design, prepare and issue license plates for the support of

rodeos, including support for the programs and charitable activities of the Reno Rodeo Foundation and the Nevada High School Rodeo Association, or their successors, using any colors and designs that the Department deems appropriate. The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.

- 2. If the Department receives at least 250 applications for the issuance of license plates for the support of rodeos, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of rodeos if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of rodeos pursuant to subsections 3 and 4.
- 3. The fee for license plates for the support of rodeos is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support of rodeos must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.
- 5. Except as otherwise provided in NRS 482.38279, the Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this subsection in the following manner:
- (a) Remit one-half of the fees to the Reno Rodeo Foundation or its successor for the support of programs and charitable activities of the Reno Rodeo Foundation or its successor.
- (b) Remit one-half of the fees to the Nevada High School Rodeo Association or its successor for the support of programs and charitable activities of the Nevada High School Rodeo Association or its successor.
- → The Nevada High School Rodeo Association or its successor may grant a portion of the proceeds it receives pursuant to this subsection to one or more high school rodeo associations established in this State for the support of those associations.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:

- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set forth in this chapter; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 32.** NRS 482.37945 is hereby amended to read as follows:
- 482.37945 1. Except as otherwise provided in this subsection, the Department, in cooperation with the Northern Nevada Railway Foundation or its successor, shall design, prepare and issue license plates for the support of the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad using any colors that the Department deems appropriate. The design of the license plates must include a depiction of a locomotive of the Virginia & Truckee Railroad and the phrase "The Virginia & Truckee Lives." The Department shall not design, prepare or issue the license plates unless it receives at least 250 applications for the issuance of those plates.
- 2. If the Department receives at least 250 applications for the issuance of license plates for the support of the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad, the Department shall issue those plates for a passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with license plates for the support of the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad if that person pays the fees for the personalized prestige license plates in addition to the fees for the license plates for the support of the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad pursuant to subsections 3 and 4.
- 3. The fee for license plates for the support of the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.
- 4. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 3, a person who requests a set of license plates for the support of the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed pursuant to subsection 5.

- 5. The Department shall transmit the fees collected pursuant to subsection 4 to the treasurer with whom the Nevada Commission for the Reconstruction of the V & T Railway of Carson City and Douglas, Lyon, Storey and Washoe Counties has entered into an agreement as required by subsection 2 of section 8 of chapter 566, Statutes of Nevada 1993, for deposit in the fund created pursuant to that section. The fees transmitted pursuant to this subsection must be used only for the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad.
- 6. If, during a registration [year,] *period*, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:
- (a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
  - **Sec. 33.** NRS 482.3812 is hereby amended to read as follows:
- 482.3812 1. Except as otherwise provided in NRS 482.2655, the Department may issue special license plates and registration certificates to residents of Nevada for any passenger car or light commercial vehicle:
  - (a) Having a manufacturer's rated carrying capacity of 1 ton or less; and
  - (b) Manufactured not later than 1948.
- 2. License plates issued pursuant to this section must be inscribed with the words "STREET ROD" and three or four consecutive numbers.
- 3. If, during a registration [year,] *period*, the holder of special plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall retain the plates and:
- (a) Affix them to another vehicle which meets the requirements of this section and report the change to the Department in accordance with the procedure set forth for other transfers; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
- 4. The fee for the special license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The fee for an annual renewal sticker is \$10.
- 5. In addition to the fees required pursuant to subsection 4, the Department shall charge and collect a fee for the first issuance of the special license plates for those motor vehicles exempted pursuant to NRS 445B.760 from the provisions of NRS 445B.770 to 445B.815, inclusive. The amount of the fee must be equal to the amount of the fee for a form certifying emission

control compliance set forth in paragraph (c) of subsection 1 of NRS 445B.830.

6. Fees paid to the Department pursuant to subsection 5 must be accounted for in the Pollution Control Account created by NRS 445B.830.

### **Sec. 34.** NRS 482.3816 is hereby amended to read as follows:

- 482.3816 1. Except as otherwise provided in NRS 482.2655, the Department may issue special license plates and registration certificates to residents of Nevada for any passenger car or light commercial vehicle:
  - (a) Having a manufacturer's rated carrying capacity of 1 ton or less;
- (b) Manufactured at least 25 years before the application is submitted to the Department; and
- (c) Containing only the original parts which were used to manufacture the vehicle or replacement parts that duplicate those original parts.
- 2. License plates issued pursuant to this section must be inscribed with the words "CLASSIC VEHICLE" and three or four consecutive numbers.
- 3. If, during a registration **[year,]** *period*, the holder of special plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall retain the plates and:
- (a) Affix them to another vehicle which meets the requirements of this section and report the change to the Department in accordance with the procedure set forth for other transfers; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.
- 4. The fee for the special license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The fee for an annual renewal sticker is \$10.
- 5. In addition to the fees required pursuant to subsection 4, the Department shall charge and collect a fee for the first issuance of the special license plates for those motor vehicles exempted pursuant to NRS 445B.760 from the provisions of NRS 445B.770 to 445B.815, inclusive. The amount of the fee must be equal to the amount of the fee for a form certifying emission control compliance set forth in paragraph (c) of subsection 1 of NRS 445B.830.
- 6. Fees paid to the Department pursuant to subsection 5 must be accounted for in the Pollution Control Account created by NRS 445B.830.

## Sec. 34.1. NRS 482.3824 is hereby amended to read as follows:

482.3824 1. Except as otherwise provided in NRS 482.38279, with respect to any special license plate that is issued pursuant to NRS 482.3667 to 482.3823, inclusive, and for which additional fees are imposed for the issuance of the special license plate to generate financial support for a charitable organization:

- (a) The Director shall, at the request of the charitable organization that is benefited by the particular special license plate:
- (1) Order the design and preparation of souvenir license plates, the design of which must be substantially similar to the particular special license plate; and
- (2) Issue such souvenir license plates, for a fee established pursuant to NRS 482.3825, only to the charitable organization that is benefited by the particular special license plate. The charitable organization may resell such souvenir license plates at a price determined by the charitable organization.
- (b) The Department may, except as otherwise provided in this paragraph and after the particular special license plate is approved for issuance, issue the special license plate for a trailer, motorcycle or other type of vehicle that is not a passenger car or light commercial vehicle, excluding vehicles required to be registered with the Department pursuant to NRS 706.801 to 706.861, inclusive, and full trailers or semitrailers registered pursuant to subsection 3 of NRS 482.483, upon application by a person who is entitled to license plates pursuant to NRS 482.265 or 482.272 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter or chapter 486 of NRS. The Department may not issue a special license plate for such other types of vehicles if the Department determines that the design or manufacture of the plate for those other types of vehicles would not be feasible. In addition, if the Department incurs additional costs to manufacture a special license plate for such other types of vehicles, including, without limitation, costs associated with the purchase, manufacture or modification of dies or other equipment necessary to manufacture the special license plate for such other types of vehicles, those additional costs must be paid from private sources without any expense to the State of Nevada.
- 2. If, as authorized pursuant to paragraph (b) of subsection 1, the Department issues a special license plate for a trailer, motorcycle or other type of vehicle that is not a passenger car or light commercial vehicle, the Department shall charge and collect for the issuance and renewal of such a plate the same fees that the Department would charge and collect if the other type of vehicle was a passenger car or light commercial vehicle. As used in this subsection, "fees" does not include any applicable registration or license fees or governmental services taxes.
  - 3. As used in this section:
  - (a) "Additional fees" has the meaning ascribed to it in NRS 482.38273.
- (b) "Charitable organization" means a particular cause, charity or other entity that receives money from the imposition of additional fees in connection with the issuance of a special license plate pursuant to

NRS 482.3667 to 482.3823, inclusive. The term includes the successor, if any, of a charitable organization.

### Sec. 34.2. NRS 482.399 is hereby amended to read as follows:

- 482.399 1. Upon the transfer of the ownership of or interest in any vehicle by any holder of a valid registration, or upon destruction of the vehicle, the registration expires.
- 2. [The] Except as otherwise provided in subsection 3 of NRS 482.483, the holder of the original registration may transfer the registration to another vehicle to be registered by the holder and use the same regular license plate or plates or special license plate or plates issued pursuant to NRS 482.3667 to 482.3823, inclusive, or 482.384, on the vehicle from which the registration is being transferred, if the license plate or plates are appropriate for the second vehicle, upon filing an application for transfer of registration and upon paying the transfer registration fee and the excess, if any, of the registration fee and governmental services tax on the vehicle to which the registration is transferred over the total registration fee and governmental services tax paid on all vehicles from which he or she is transferring ownership or interest. Except as otherwise provided in NRS 482.294, an application for transfer of registration must be made in person, if practicable, to any office or agent of the Department or to a registered dealer, and the license plate or plates may not be used upon a second vehicle until registration of that vehicle is complete.
- 3. In computing the governmental services tax, the Department, its agent or the registered dealer shall credit the portion of the tax paid on the first vehicle attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the second vehicle or on any other vehicle of which the person is the registered owner. If any person transfers ownership or interest in two or more vehicles, the Department or the registered dealer shall credit the portion of the tax paid on all of the vehicles attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner. The certificates of registration and unused license plates of the vehicles from which a person transfers ownership or interest must be submitted before credit is given against the tax due on the vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner.
- 4. In computing the registration fee, the Department or its agent or the registered dealer shall credit the portion of the registration fee paid on each vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis against the registration fee due on the vehicle to which registration is transferred.

- 5. If the amount owed on the registration fee or governmental services tax on the vehicle to which registration is transferred is less than the credit on the total registration fee or governmental services tax paid on all vehicles from which a person transfers ownership or interest, no refund may be allowed by the Department.
- 6. If the license plate or plates are not appropriate for the second vehicle, the plate or plates must be surrendered to the Department or registered dealer and an appropriate plate or plates must be issued by the Department. The Department shall not reissue the surrendered plate or plates until the next succeeding licensing period.
- 7. If application for transfer of registration is not made within 60 days after the destruction or transfer of ownership of or interest in any vehicle, the license plate or plates must be surrendered to the Department on or before the 60th day for cancellation of the registration.
- 8. Except as otherwise provided in subsection 2 of NRS 371.040 and subsection 7 of NRS 482.260, if a person cancels his or her registration and surrenders to the Department the license plates for a vehicle, the Department shall, in accordance with the provisions of subsection 9, issue to the person a refund of the portion of the registration fee and governmental services tax paid on the vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis.
- 9. The Department shall issue a refund pursuant to subsection 8 only if the request for a refund is made at the time the registration is cancelled and the license plates are surrendered, the person requesting the refund is a resident of Nevada, the amount eligible for refund exceeds \$100, and evidence satisfactory to the Department is submitted that reasonably proves the existence of extenuating circumstances. For the purposes of this subsection, the term "extenuating circumstances" means circumstances wherein:
- (a) The person has recently relinquished his or her driver's license and has sold or otherwise disposed of his or her vehicle.
- (b) The vehicle has been determined to be inoperable and the person does not transfer the registration to a different vehicle.
- (c) The owner of the vehicle is seriously ill or has died and the guardians or survivors have sold or otherwise disposed of the vehicle.
- (d) Any other event occurs which the Department, by regulation, has defined to constitute an "extenuating circumstance" for the purposes of this subsection.

### Sec. 34.5. NRS 482.483 is hereby amended to read as follows:

482.483 In addition to any other applicable fee listed in NRS 482.480, there must be paid to the Department:

- 1. **[For] Except as otherwise provided in subsection 3, for** every trailer or semitrailer having an unladen weight of 1,000 pounds or less, a flat registration fee of \$12.
- 2. **[For]** Except as otherwise provided in subsection 3, for every trailer having an unladen weight of more than 1,000 pounds, a flat registration fee of \$24.
- 3. For any full trailer or semitrailer, other than a recreational vehicle or travel trailer, for a nontransferable registration that does not expire until the owner transfers the ownership of the full trailer or semitrailer, a flat nonrefundable registration fee of \$24. If, pursuant to NRS 482.399, the owner of a full trailer or semitrailer that is registered pursuant to this section cancels the registration and surrenders the license plates to the Department, no portion of the flat registration fee will be refunded to the owner.
  - **Sec. 35.** NRS 482.520 is hereby amended to read as follows:
- 482.520 Whenever the owner of any motor vehicle, trailer or semitrailer which is stolen or embezzled files an affidavit alleging such fact with the Department, it shall immediately suspend the registration of and refuse to reregister such vehicle until such time as it is notified that the owner has recovered the vehicle, but notices given as herein provided shall be effective only during the current registration [year] period in which given. If during such [year] period the vehicle is not recovered a new affidavit may be filed with like effect during the ensuing [year.] period. Every owner who has filed an affidavit of theft or embezzlement must immediately notify the Department of the recovery of such vehicle.

## Sec. 36. NRS 371.040 is hereby amended to read as follows: 371.040 The

- 1. Except as otherwise provided in subsection 2, the annual amount of the basic governmental services tax throughout the State is 4 cents on each \$1 of valuation of the vehicle as determined by the Department.
- 2. A full trailer or semitrailer registered pursuant to subsection 3 of NRS 482.483 is subject to the basic governmental services tax in the nonrefundable amount of \$86 each time such a full trailer or semitrailer is registered pursuant to subsection 3 of NRS 482.483.
  - Sec. 37. NRS 371.060 is hereby amended to read as follows:
- 371.060 1. Except as otherwise provided in subsection 2 to the subsection 2 of NRS 371.040, each vehicle must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

	Percentage of
Age	Initial Value
	100
New	
1 year	
2 years	85 percent
3 years	
4 years	
•	
•	-
•	<u> -</u>
•	<u>*</u>
2	1
4 years	

2. [Each] Except as otherwise provided in subsection 2 of NRS 371.040, each bus, truck or truck-tractor having a declared gross weight of 10,000 pounds or more and each trailer or semitrailer having an unladen weight of 4,000 pounds or more must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

	Percentage of
Age	Initial Value
New	100 percent
1 year	85 percent
2 years	
3 years	57 percent
4 years	
5 years	
6 years	
7 years	
8 years	
9 years	
10 years or more	

- 3. Notwithstanding any other provision of this section, the minimum amount of the governmental services tax:
- (a) On any trailer having an unladen weight of 1,000 pounds or less is \$3; and
  - (b) On any other vehicle is \$16.
- 4. For the purposes of this section, a vehicle shall be deemed a "new" vehicle if the vehicle has never been registered with the Department and has never been registered with the appropriate agency of any other state, the

District of Columbia, any territory or possession of the United States or any foreign state, province or country.

### Sec. 38. NRS 371.070 is hereby amended to read as follows:

371.070 Except as otherwise provided in subsection 2 of NRS 371.040, upon the registration for the first time in this State after the beginning of the period of registration of a vehicle which is registered pursuant to the provisions of NRS 706.801 to 706.861, inclusive, or which has a declared gross weight in excess of 26,000 pounds, the amount of the governmental services tax must be reduced one-twelfth for each month which has elapsed since the beginning of the period of registration.

# [Sec. 36.] Sec. 39. This act becomes effective on [July 1, 2013.] January 1, 2015.

Assemblyman Carrillo moved the adoption of the amendment.

Remarks by Assemblyman Carrillo.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 345.

Bill read second time.

The following amendment was proposed by the Committee on Natural Resources, Agriculture, and Mining:

Amendment No. 375.

AN ACT relating to wildlife; [declaring that] requiring the Board of Wildlife Commissioners and the Department of Wildlife, in managing the wildlife in this State [must], to be [managed according to] informed by the best [scientific data] science available; requiring the [Department of Wildlife to use money in the Wildlife Fund Account in the State General Fund for costs related to programs to improve the habitat of sage grouse in this State and to conduct a study of predatory wildlife in this State;] Commission to establish policies for certain programs, activities and research relating to predatory wildlife; and providing other matters properly relating thereto.

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

Under existing law, the Nevada Legislature has declared that wildlife in this State is part of the natural resources belonging to the people of the State of Nevada and that preserving, protecting, managing and restoring wildlife in this State contributes immeasurably to the aesthetic, recreational and economic aspects of those natural resources. (NRS 501.100) Section 1 of this bill expands the legislative declaration to require [that] the Board of Wildlife Commissioners and the Department of Wildlife, in managing the wildlife in this State, to be [managed according to] informed by the best [scientific data] science available.

Under existing law, in addition to the fee for a game tag, the Department of Wildlife charges an additional fee of \$3 for processing each application for a game tag, the revenue from which must be deposited into the Wildlife Fund Account in the State General Fund and be used by the Department for costs related to: (1) programs for the management and control of injurious predatory wildlife [and]; (2) wildlife management activities relating to the protection of certain game animals and wildlife habitat [...]; and (3) research to determine successful techniques for managing and controlling predatory wildlife. Any program developed or wildlife management activity or research conducted must be developed or conducted under the guidance of the Commission. (NRS 501.181, 502.253) Section 2 of this bill requires the IDepartment to use the revenue generated from that fee for programs to improve the habitat of sage grouse in this State and to conduct any necessary research to determine successful techniques for managing and controlling predatory wildlife. Section 3 of this bill requires the Department to: (1) spend between \$20,000 and \$100,000 from the Wildlife Fund Account to contract with a private entity to conduct a study concerning predatory wildlife in this State, including any programs or other actions taken in this State to control predatory wildlife and the effectiveness of those actions; and (2) use any money remaining in the Wildlife Fund Account to improve the habitat of sage grouse in this State. Section 3 also requires the Department to propere a report summarizing the results of the study and submit the report to the 78th Session of the Nevada Legislature.] Commission, in providing guidance relating to any wildlife management activity, the development of a program to control any species of predatory wildlife or any research concerning that species, to establish a policy for the activity, program or research that specifies the goals and required results of the activity, program or research.

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

**Section 1.** NRS 501.100 is hereby amended to read as follows:

501.100 1. Wildlife in this State not domesticated and in its natural habitat is part of the natural resources belonging to the people of the State of Nevada [.] and , in managing that wildlife, the Commission and the Department must be [managed according to] informed by the best [scientific data] science available.

2. The preservation, protection, management and restoration of wildlife within the State contribute immeasurably to the aesthetic, recreational and economic aspects of these natural resources.

- **Sec. 2.** NRS 502.253 is hereby amended to read as follows:
- 502.253 1. In addition to any fee charged and collected pursuant to NRS 502.250, a fee of \$3 must be charged for processing each application for a game tag, the revenue from which must be accounted for separately, deposited with the State Treasurer for credit to the Wildlife Fund Account in the State General Fund and used by the Department for costs related to:
- (a) Programs for the management and control of , and research relating to, injurious predatory wildlife for the benefit of all other species of wildlife;
- (b) Wildlife management activities relating to the protection of nonpredatory game animals, sensitive wildlife species and other species of game animals which are historically subject to or are at risk of excessive predation by predatory wildlife, and related wildlife habitat;

## (c) [to improve the habitat of sage grouse in this State; and

- $\frac{-(b)J}{-}$ Conducting research, as needed, to determine successful techniques for managing and controlling predatory wildlife, including studies necessary to ensure effective programs for the management and control of injurious predatory wildlife  $\frac{1}{H}$ ; and
- <u>(d) Programs for the education of the general public concerning the management and control of predatory wildlife.</u>
- 2. The Department of Wildlife is hereby authorized to expend a portion of the money collected pursuant to subsection 1 to enable the State Department of Agriculture to develop and carry out the programs described in subsection 1.
- 3. [2.] Any program developed or wildlife management activity or research conducted pursuant to this section must be developed or conducted under the guidance of the Commission pursuant to subsection 2 of NRS 501.181. In providing guidance for the development of a program to control any species of predatory wildlife or for conducting any wildlife management activity or research concerning that species, the Commission shall establish a policy for the program, activity or research. Each policy must specify the goals and required results of the program, activity or research, including, without limitation, provisions:
- (a) Setting forth a specific geographic area in this State in which the program, activity or research must be conducted;
- (b) Setting forth the reasons for conducting the program, activity or research in the geographic area;
- (c) Setting forth the estimated population or density of each species of predatory wildlife and the location of the estimated population or density in the geographic area which must be included in the program, activity or research; and
- (d) Requiring the submission of a report to the Commission upon the completion of the program, activity or research setting forth the results of

the program, activity or research and the extent to which the program, activity or research achieved the goals and required results established for the program, activity or research.

4. [3.] The money in the Wildlife Fund Account remains in the Account and does not revert to the State General Fund at the end of any fiscal year.

Sec. 3. In addition to any research conducted pursuant to subsection 1 of NRS 502.253, as amended by section 2 of this act, and if sufficient money is available from any amount deposited for credit to the Wildlife Fund Account pursuant to NRS 502.253, as amended by section 2 of this act, the Department of Wildlife shall expend not less than \$20,000 but not more than \$100.000 from the Wildlife Fund Account in the State General Fund to contract with a private, peer reviewed entity to conduct a study concerning predatory wildlife in this State. The study must include, without limitation, any programs or actions taken to control predatory wildlife in this State and the effectiveness of those actions. After the completion of the study and any projects for the control of predatory wildlife recommended by the Department for the fiscal year beginning on July 1, 2013, and ending on June 30, 2014, the Department shall use any money remaining in the Account to improve the habitat of sage grouse in this State. The Department shall prepare a report summarizing the results of the study and submit the report to the 78th Session of the Nevada Legislature. (Deleted by amendment.)

Sec. 4. This act becomes effective on July 1, 2013. [, and expires by limitation on June 30, 2015.]

Assemblyman Daly moved the adoption of the amendment.

Remarks by Assemblyman Daly.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 403.

Bill read second time.

The following amendment was proposed by the Committee on Education: Amendment No. 345.

AN ACT relating to county school districts; authorizing the board of trustees of a county school district to [impose] adopt an ordinance imposing a fee on [each acre of real property] certain parcels of land located in the county [for the purposes of constructing, maintaining or operating a vocational school in] to fund a vocational program for the county; and providing other matters properly relating thereto.

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

Existing law establishes certain sources of revenue for county school districts and prescribes the manner in which that revenue must be used by the county school district. (NRS 387.170-387.225) This bill authorizes the board

of trustees of a county school district to [impose an annual] adopt an ordinance imposing a fee of \$2 per month per acre, or portion thereof, of real property in the county [for the purposes of constructing, maintaining or operating a vocational school in the county] to fund a vocational program and further sets forth certain restrictions on the imposition of the fee. This bill also requires a board of trustees that imposes such a fee to establish a committee to oversee the collection of the fee and the use of the proceeds of the fee.

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

**Section 1.** Chapter 387 of NRS is hereby amended by adding thereto a new section to read as follows:

- 1. [Except as otherwise provided in subsection 2, the board of trustees of a county school district may impose annually a fee on all real property located within the boundaries of the county at the rate of \$2 per acre or an equivalent fraction thereof.
- 2. A board of trustees may not impose a fee pursuant to subsection 1:
- -(a) On more than 500 acres of any parcel of real property.
- (b) On any parcel of real property for more than 10 years.
- 3. A board of trustees shall use the proceeds from any fees collected pursuant to subsection 1 only to fund the construction, maintenance or operation of a vocational school in the county.] On or before January 1, 2014, the board of trustees of a county school district may adopt an ordinance imposing a fee on each taxable parcel of land located within the boundaries of the county at the rate of \$2 per month per acre, or portion thereof, pursuant to subsection 2. The ordinance imposing the fee must specify:
- (a) That the fee will first be collected for the fiscal year beginning on July 1, 2014; and
- (b) The period for which the fee will be collected, which must not exceed 10 years.
- 2. If a board of trustees imposes a fee pursuant to subsection 1, the board shall limit the number of acres in a parcel to which the fee is applied based on the use of the land and the following minimum and maximum numbers of acres contained in the parcel:
- (a) For single-family residential use up to four units, not less than 1 acre, or portion thereof, and not more than 10 acres;
- (b) For vacant, open space or agricultural use, not less than 1 acre, or portion thereof, and not more than 100 acres; and
- (c) For multi-residential, mining, utility, industrial and other commercial use, not less than 1 acre, or portion thereof, and not more than 500 acres.

- 3. The fees imposed pursuant to this section must be collected on the tax roll and constitute a lien against the parcel of land on which the fee has been imposed as of the time when the lien of taxes on the roll attaches. The county treasurer shall include the amount of the fee on bills for taxes levied against the respective parcels of land. Thereafter, the fees must be collected at the same time, in the same manner and by the same persons as, and together with, the general taxes for the county. The fee becomes delinquent at the same time as such taxes and is subject to the same delinquency penalties. All laws applicable to the levy, collection and enforcement of general taxes of the county, including but not limited to those pertaining to the matters of delinquency, correction, cancellation, refund, redemption and sale, apply to such charges.
- 4. The fees collected pursuant to [subsection 1] this section must be [deposited]:
- (a) Deposited with the county treasurer for credit to the county school district fund and [must be] accounted for separately [for use in accordance with the provisions of subsection 3.], including any interest and other income earned on the money; and
- (b) Used only to fund the design, planning and construction, and not more than 2 years of operation, of a vocational program for the county.
- 5. If a board of trustees imposes a fee pursuant to subsection 1, the board of trustees shall establish a committee to oversee the collection of the fee and the use of the proceeds of the fee in accordance with the provisions of [subsection 3.] this section and make recommendations to the board regarding the proposed curriculum and programs, including coordinating with and complementing existing school district programs, coordinating with community colleges, colleges and businesses in the county and working with economic development agencies. The board must submit all proposed expenditures of money from the fee imposed pursuant to this section to the committee for approval before expending or committing the money for expenditure. The committee shall approve the proposed expenditure if it determines that the proposed expenditure is within the authorized scope for vocational programs and is otherwise in compliance with this section. A committee established pursuant to this subsection must meet at least annually at the call of the Chair and must consist of the superintendent of schools of the county school district, who shall serve as the Chair, the president of the board of trustees and three members [appointed by the board of trustees] as follows:
- (a) One State Senator who represents the county in which the school district is located or any portion thereof [-], appointed by the Majority Leader of the Senate;

- (b) One Assemblyman or Assemblywoman who represents the county <u>in</u> which the school district <u>is located</u> or any portion thereof <u>[+]</u>, appointed by the Speaker of the Assembly; and
- (c) One member of the public who resides in the county school district [-], appointed by the board of trustees.
- → If a member of the committee ceases to hold the office that qualified the member for appointment, a vacancy on the committee is created. All vacancies on the committee must be filled in the same manner and pursuant to the same qualifications as the former member was appointed.
- 6. For the purposes of this section, the term "taxable parcel" means a parcel of land as described in the county parcel map prepared pursuant to NRS 361.189 for the year in which the fee is collected. The term does not include any such parcel that is exempt from property or other state or local taxes.
  - **Sec. 2.** NRS 387.175 is hereby amended to read as follows:
  - 387.175 The county school district fund is composed of:
  - 1. All local taxes for the maintenance and operation of public schools.
- 2. All money received from the Federal Government for the maintenance and operation of public schools.
  - 3. Apportionments by this State as provided in NRS 387.124.
- 4. Any fees imposed by the board of trustees of a school district pursuant to section 1 of this act. <u>[for the purposes of funding the construction, maintenance or operation of a vocational school.]</u>
- **5.** Any other receipts, including gifts, for the operation and maintenance of the public schools in the county school district.
  - **Sec. 3.** NRS 387.205 is hereby amended to read as follows:
- 387.205 1. [Subject] Except as otherwise provided in section 1 of this act and subject to the limitations set forth in NRS 387.206 and 387.207, money on deposit in the county school district fund or in a separate account, if the board of trustees of a school district has elected to establish such an account pursuant to the provisions of NRS 354.603, must be used for:
- (a) Maintenance and operation of the public schools controlled by the county school district.
  - (b) Payment of premiums for Nevada industrial insurance.
  - (c) Rent of schoolhouses.
- (d) Construction, furnishing or rental of teacherages, when approved by the Superintendent of Public Instruction.
  - (e) Transportation of pupils, including the purchase of new buses.
- (f) Programs of nutrition, if such expenditures do not curtail the established school program or make it necessary to shorten the school term, and each pupil furnished lunch whose parent or guardian is financially able so to do pays at least the actual cost of the lunch.

- (g) Membership fees, dues and contributions to an interscholastic activities association.
- (h) Repayment of a loan made from the State Permanent School Fund pursuant to NRS 387.526.
- (i) Programs of education and projects relating to air quality pursuant to NRS 445B.500.
- 2. Subject to the limitations set forth in NRS 387.206 and 387.207, money on deposit in the county school district fund, or in a separate account, if the board of trustees of a school district has elected to establish such an account pursuant to the provisions of NRS 354.603, when available, may be used for:
  - (a) Purchase of sites for school facilities.
  - (b) Purchase of buildings for school use.
  - (c) Repair and construction of buildings for school use.

# Sec. 4. This act becomes effective on July 1, 2013 [...], and expires by limitation on January 1, 2025.

Assemblyman Elliot Anderson moved the adoption of the amendment.

Remarks by Assemblyman Elliot Anderson.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 414.

Bill read second time.

The following amendment was proposed by the Committee on Education: Amendment No. 344.

SUMMARY—Requires a course of study in health to include <u>, to the extent money is available for this purpose</u>, instruction in cardiopulmonary resuscitation and the use of an automated external defibrillator for certain grade levels. (BDR 34-204)

AN ACT relating to education; requiring instruction in the administration of cardiopulmonary resuscitation and the use of an automated external defibrillator to be included , to the extent money is available for this purpose, within the course of study for health for pupils enrolled in [middle schools, junior high schools and] high schools; providing exceptions for certain pupils; requiring private secondary schools to include similar instruction, to the extent money is available for this purpose, in a course of study for health; and providing other matters properly relating thereto.

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

Existing law designates, in addition to the core academic subjects that must be taught in all public schools, the following subjects that must be taught as applicable for grade levels: (1) the arts; (2) computer education and technology; (3) health; and (4) physical education. (NRS 389.018) The State

Board of Education is required to adopt regulations establishing the courses of study for the prescribed academic subjects, including health. (NRS 389.0185) Sections 1 and 2 of this bill require a course of study in health established by the State Board to include, for pupils enrolled in <a href="mailto:tmiddle-sehools">tmiddle-sehools</a>, junior high sehools and] high schools <a href="mailto:tmiddle-sehools</a>, junior high sehools and] high schools <a href="mailto:tmiddle-sehools</a>, junior high schools <a href="mailto:tmiddle-sehools</a>, junior high sehools <a href="mailto:tmiddle-sehools</a>, junior high schools <a href="mailto:tmiddle-sehools</a>, ju

Existing law requires a private school to provide instruction in the courses of study prescribed by the State Board or courses of study prepared by the private school and approved by the State Board. (NRS 394.130) **Section 3** of this bill requires a private secondary school which provides a course of study in health to include in the course of study , to the extent money is available for this purpose, instruction in the administration of cardiopulmonary resuscitation and the use of an automated external defibrillator for the grade levels determined by the private school. The same exemptions as prescribed by section 2 apply to a pupil enrolled in a private school through a program of distance education and a pupil with a disability.

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

**Section 1.** NRS 389.018 is hereby amended to read as follows:

389.018 1. The following subjects are designated as the core academic subjects that must be taught, as applicable for grade levels, in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

- (a) English, including reading, composition and writing;
- (b) Mathematics;
- (c) Science; and
- (d) Social studies, which includes only the subjects of history, geography, economics and government.
- 2. Except as otherwise provided in this subsection, a pupil enrolled in a public high school must enroll in a minimum of:
  - (a) Four units of credit in English;

- (b) Four units of credit in mathematics, including, without limitation, Algebra I and geometry, or an equivalent course of study that integrates Algebra I and geometry;
  - (c) Three units of credit in science, including two laboratory courses; and
  - (d) Three units of credit in social studies, including, without limitation:
  - (1) American government;
  - (2) American history; and
  - (3) World history or geography.
- → A pupil is not required to enroll in the courses of study and credits required by this subsection if the pupil, the parent or legal guardian of the pupil and an administrator or a counselor at the school in which the pupil is enrolled mutually agree to a modified course of study for the pupil and that modified course of study satisfies at least the requirements for a standard high school diploma or an adjusted diploma, as applicable.
- 3. Except as otherwise provided in this subsection, in addition to the core academic subjects, the following subjects must be taught as applicable for grade levels and to the extent practicable in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:
  - (a) The arts:
  - (b) Computer education and technology;
  - (c) Health; and
  - (d) Physical education.
- → If the State Board requires the completion of course work in a subject area set forth in this subsection for graduation from high school or promotion to the next grade, a public school shall offer the required course work. [Unless] Except as otherwise provided for a course of study in health [required] prescribed by subsection 1 of NRS 389.0185, unless a subject is required for graduation from high school or promotion to the next grade, a charter school is not required to comply with this subsection.
  - **Sec. 2.** NRS 389.0185 is hereby amended to read as follows:
- 389.0185 <u>I.</u> The State Board shall adopt regulations establishing courses of study and the grade levels for which the courses of study apply for:
- [1.] (a) The academic subjects set forth in NRS 389.018. A course of study in health prescribed pursuant to paragraph (c) of subsection 3 of NRS 389.018 must, to the extent money is available for this purpose, for pupils enrolled in [middle sehool, junior high school and] high school, including, without limitation, pupils enrolled in [those] the high school grade levels at a charter school, include instruction in:
- [(a)] (1) The administration of <u>hands-only or compression-only</u> cardiopulmonary resuscitation , including a psychomotor skill-based

<u>component</u>, according to the guidelines of the American <del>[National]</del> Red Cross or American Heart Association; and

- [(b)] (2) The use of an automated external defibrillator.
- 2 (b) Citizenship and physical training for pupils enrolled in high school.
- [3.] (c) Physiology, hygiene and , except as otherwise [required] prescribed by [subsection 1,] paragraph (a), cardiopulmonary resuscitation.
  - [4.] (d) The prevention of suicide.
  - [5.] (e) Instruction relating to child abuse.
  - [6.] (f) The economics of the American system of free enterprise.
  - [7.] (g) American Sign Language.
  - [8.] (h) Environmental education.
  - [9.] (i) Adult roles and responsibilities.
- → A course of study established for [subsection 1] paragraph (a) may include one or more of the subjects listed in [subsections 2 to 9,] paragraphs (b) to (i), inclusive.
- 2. If a course of study in health in high school includes instruction in cardiopulmonary resuscitation and the use of an automated external defibrillator:
- (a) A teacher who provides the instruction is not required to hold certification in the administration of cardiopulmonary resuscitation unless required by the board of trustees of the school district pursuant to NRS 391.092 or by the governing body of the charter school.
- (b) The board of trustees of the school district or the governing body of the charter school may collaborate with entities to assist in the provision of the instruction and the provision of equipment necessary for the instruction, including, without limitation, fire departments, hospitals, colleges and universities and public health agencies.
- (c) A pupil who is enrolled in a course of study in health through a program of distance education or a pupil with a disability who cannot perform the tasks included in the instruction is not required to complete the instruction to pass the course of study in health.
  - **Sec. 3.** NRS 394.130 is hereby amended to read as follows:
- 394.130 1. In order to secure uniform and standard work for pupils in private schools in this State, instruction in the subjects required by law for pupils in the public schools shall be required of pupils receiving instruction in such private schools, either under the regular state courses of study prescribed by the [State] Board [of Education] or under courses of study prepared by such private schools and approved by the [State] Board . [of Education.]

- 2. A course of study in health provided at a private secondary school must include, to the extent money is available for this purpose and for the grade levels determined by the private school, instruction in:
- (a) The administration of <u>hands-only</u> or <u>compression-only</u> cardiopulmonary resuscitation , <u>including a psychomotor skill-based component,</u> according to the guidelines of the American [National] Red Cross or American Heart Association; and
  - (b) The use of an automated external defibrillator.
- 3. <u>If a course of study in health in a private secondary school includes instruction in cardiopulmonary resuscitation and the use of an automated external defibrillator:</u>
- (a) A teacher who provides the instruction is not required to hold certification in the administration of cardiopulmonary resuscitation.
- (b) The private school may collaborate with entities to assist in the provision of the instruction and the provision of equipment necessary for the instruction, including, without limitation, fire departments, hospitals, colleges and universities and public health agencies.
- (c) A pupil who is enrolled in a course of study in health through a program of distance education or a pupil with a disability who cannot perform the tasks included in the instruction is not required to complete the instruction to pass the course of study in health.
- <u>4.</u> Such private schools shall be required to furnish from time to time such reports as the Superintendent of Public Instruction may find necessary as to enrollment, attendance and general progress within such schools.
  - [3.] [4.] 5. Nothing in this section shall be so construed as:
- (a) To interfere with the right of the proper authorities having charge of private schools to give religious instruction to the pupils enrolled therein.
- (b) To give such private schools any right to share in the public school funds apportioned for the support of the public schools of this State.
  - **Sec. 4.** This act becomes effective on July 1, 2013.

Assemblyman Elliot Anderson moved the adoption of the amendment.

Remarks by Assemblyman Elliot Anderson.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

#### MOTIONS, RESOLUTIONS AND NOTICES

Assemblywoman Carlton moved that Assembly Bills Nos. 67, 145, 242, 320, 353, 388, and 396 be taken from the General File and rereferred to the Committee on Ways and Means.

Motion carried.

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Assemblyman Horne moved that the Assembly recess until 5 p.m. Motion carried.

Assembly in recess at 12:35 p.m.

#### ASSEMBLY IN SESSION

At 5:28 p.m. Madam Speaker presiding. Quorum present.

#### REPORTS OF COMMITTEES

#### Madam Speaker:

Your Committee on Commerce and Labor, to which were referred Assembly Bills Nos. 186, 213, 334, 354, 391, 435, 456, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DAVID P. BOBZIEN, Chair

#### Madam Speaker:

Your Committee on Government Affairs, to which were referred Assembly Bills Nos. 25, 291, 363, 417, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DINA NEAL, Vice Chair

#### Madam Speaker:

Your Committee on Health and Human Services, to which was referred Assembly Bill No. 93, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN DONDERO LOOP, Chair

#### MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Horne moved that Assembly Bills Nos. 25, 93, 186, 213, 291, 334, 354, 363, 391, 417, 435, and 456, just reported out of committee, be placed on the Second Reading File.

Motion carried.

Assemblyman Horne moved that Assembly Bills Nos. 172 and 200 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblyman Horne moved that Assembly Bills Nos. 358 and 374 be taken from their positions on the General File and placed at the top of the General File.

Motion carried.

Assemblyman Horne moved that Assembly Bills Nos. 54, 77, 90, 182, 202, and 321 be taken from their positions on the General File and placed at the bottom of the General File.

Motion carried.

Assemblyman Horne moved that Assembly Bill No. 316 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

#### SECOND READING AND AMENDMENT

Assembly Bill No. 93.

Bill read second time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 466.

AN ACT relating to child welfare; requiring an applicant for a license to operate a child care facility or a licensee to notify the Health Division of the Department of Health and Human Services upon the occurrence of certain events; and providing other matters properly relating thereto.

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

Existing law requires the Health Division of the Department of Health and Human Services to request information on the background and personal history of various persons associated with a child care facility, including: (1) employees of an applicant for a license to operate a child care facility or of a licensee; (2) certain residents of a child care facility; and (3) certain participants in an outdoor youth program, which is a type of child care facility. (NRS 432A.024, 432A.170) The Health Division is required to request this information not later than 3 days after the date upon which such an employee is hired, such a resident begins his or her residency or such a participant begins his or her participation. (NRS 432A.170) This bill requires an applicant for a license or a licensee to notify the Health Division as soon as practicable but not later than 24 hours after the applicant or licensee hires such an employee, begins the residency of such a resident or begins the participation of such a participant.

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

**Section 1.** NRS 432A.175 is hereby amended to read as follows:

432A.175 1. Every applicant for a license to operate a child care facility, licensee and employee of such an applicant or licensee, and every resident of a child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or participant in an outdoor youth program who is 18 years of age or older, shall submit to the Health Division, or to the person or agency designated by the Health Division, to enable the Health Division to conduct an investigation pursuant to NRS 432A.170, a:

- (a) Complete set of fingerprints and a written authorization for the Health Division or its designee 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;
  - (b) Written statement detailing any prior criminal convictions; and
- (c) Written authorization for the Health Division to obtain any information that may be available from the Statewide Central Registry for the Collection of Information Concerning the Abuse or Neglect of a Child established pursuant to NRS 432.100.
- 2. If an employee of an applicant for a license to operate a child care facility or licensee, or a resident of a child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or participant in an outdoor youth program who is 18 years of age or older, has been convicted of any crime listed in subsection 2 of NRS 432A.170 or has had a substantiated report of child abuse or neglect filed against him or her, the Health Division shall immediately notify the applicant or licensee, who shall then comply with the provisions of NRS 432A.1755.
- 3. An applicant for a license to operate a child care facility or licensee shall notify the Health Division as soon as practicable but not later than 24 hours after hiring an employee, beginning the residency of a resident who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or beginning the participation of a participant in an outdoor youth program who is 18 years of age or older.
- **4.** An applicant for a license to operate a child care facility or licensee shall notify the Health Division within 2 days after receiving notice that:
- (a) The applicant, licensee or an employee of the applicant or licensee, or a resident of the child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or participant in an outdoor youth program who is 18 years of age or older, or a facility or program operated by the applicant or licensee, is the subject of a lawsuit or any disciplinary proceeding; or
- (b) The applicant or licensee, an employee, a resident or participant has been charged with a crime listed in subsection 2 of NRS 432A.170 or is being investigated for child abuse or neglect.
  - Sec. 2. This act becomes effective on July 1, [2013.] 2014.

Assemblywoman Dondero Loop moved the adoption of the amendment. Remarks by Assemblywoman Dondero Loop.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 25.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 407.

AN ACT relating to [eities;] <u>local governments</u>; revising provisions governing the imposition of special assessments for the abatement of certain conditions and nuisances on property : [within a city;] and providing other matters properly relating thereto.

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

Under existing law, if an owner of property [within a city] fails to abate a dangerous or noxious condition, a chronic nuisance or, in a city in larger counties, an abandoned nuisance on the property after being directed to do so, the owner may be required to pay civil penalties as well as any costs incurred by the city or county, as applicable, to abate the condition or nuisance. In addition to any other reasonable means of recovering those costs and penalties, the city or county, as applicable, is authorized to make the costs and penalties a special assessment against the property and collect the special assessment in the same manner as ordinary county taxes are collected. However, before a special assessment for civil penalties may be imposed, existing law requires that 12 months must have elapsed after the final date specified for the abatement of the condition or nuisance. (NRS 244.3603, 244.3605, 268.4122-268.4126)

This bill provides that a special assessment for the costs of abatement and civil penalties may be imposed by a designee of the governing body [...] of a city or the board of county commissioners, as applicable. If a special assessment is imposed by a designee of the governing body [...] or the board, the bill requires that the designee periodically report certain information about each such assessment to the governing body [...] or the board. The bill also shortens [...] in some cases, from 12 months to [30] 180 days, the length of time that must elapse before a special assessment for civil penalties may be imposed.

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

**Section 1.** NRS 268.4122 is hereby amended to read as follows:

268.4122 1. The governing body of a city may adopt by ordinance procedures pursuant to which the governing body or its designee may order an owner of property within the city to:

(a) Repair, safeguard or eliminate a dangerous structure or condition;

- (b) Clear debris, rubbish, refuse, litter, garbage, abandoned or junk vehicles or junk appliances which are not subject to the provisions of chapter 459 of NRS: or
  - (c) Clear weeds and noxious plant growth,
- to protect the public health, safety and welfare of the residents of the city.
- 2. An ordinance adopted pursuant to subsection 1 must:
- (a) Contain procedures pursuant to which the owner of the property is:
- (1) Sent a notice, by certified mail, return receipt requested, of the existence on the property of a condition set forth in subsection 1 and the date by which the owner must abate the condition.
- (2) If the condition is not an immediate danger to the public health, safety or welfare and was caused by the criminal activity of a person other than the owner, afforded a minimum of 30 days to abate the condition.
- (3) Afforded an opportunity for a hearing before the designee of the governing body <u>relating to the order of abatement</u> and an appeal of that decision. The ordinance must specify whether all such appeals are to be made to the governing body or to a court of competent jurisdiction.
- (4) Afforded an opportunity for a hearing before the designee of the governing body relating to the imposition of civil penalties and an appeal of that decision. The ordinance must specify whether all such appeals are to be made to the governing body or to a court of competent jurisdiction.
- (b) Provide that the date specified in the notice by which the owner must abate the condition is tolled for the period during which the owner requests a hearing and receives a decision.
- (c) Provide the manner in which the city will recover money expended for labor and materials used to abate the condition on the property if the owner fails to abate the condition.
- (d) Provide for civil penalties for each day that the owner did not abate the condition after the date specified in the notice by which the owner was requested to abate the condition.
- (e) If the county board of health, city board of health or district board of health in whose jurisdiction the incorporated city is located has adopted a definition of garbage, use the definition of garbage adopted by the county board of health, city board of health or district board of health, as applicable.
- 3. The governing body or its designee may direct the city to abate the condition on the property and may recover the amount expended by the city for labor and materials used to abate the condition if:
- (a) The owner has not requested a hearing within the time prescribed in the ordinance adopted pursuant to subsection 1 and has failed to abate the condition on the property within the period specified in the notice;
- (b) After a hearing in which the owner did not prevail, the owner has not filed an appeal within the time prescribed in the ordinance adopted pursuant

to subsection 1 and has failed to abate the condition within the period specified in the order; or

- (c) The governing body or a court of competent jurisdiction has denied the appeal of the owner and the owner has failed to abate the condition within the period specified in the order.
- 4. In addition to any other reasonable means for recovering money expended by the city to abate the condition and, except as otherwise provided in subsection 5, for collecting civil penalties imposed pursuant to the ordinance adopted pursuant to subsection 1, the governing body *or its designee* may make the expense and civil penalties a special assessment against the property upon which the condition is or was located. The special assessment may be collected at the same time and in the same manner as ordinary county taxes are collected, and is subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary county taxes. All laws applicable to the levy, collection and enforcement of county taxes are applicable to such a special assessment.
- 5. Any civil penalties that have not been collected from the owner of the property may not be made a special assessment against the property pursuant to subsection 4 by the governing body *or its designee* unless:
- (a) At least 12 months [30 days] have elapsed after the date specified in the notice by which the owner must abate the condition or the date specified in the order of the governing body or court by which the owner must abate the condition, whichever is later:
- (b) The owner has been billed, served or otherwise notified that the civil penalties are due; and
  - (c) The amount of the uncollected civil penalties is more than \$5,000.
- 6. If a designee of the governing body imposes a special assessment pursuant to subsection 4, the designee shall submit a written report to the governing body at least once each calendar quarter that sets forth, for each property against which such an assessment has been imposed:
  - (a) The street address or assessor's parcel number of the property;
- (b) The name of each owner of record of the property as of the date of the assessment; and
- (c) The total amount of the assessment, stating the amount assessed for the expense of abatement and any amount assessed for civil penalties.
- 7. As used in this section, "dangerous structure or condition" means a structure or condition that may cause injury to or endanger the health, life, property, safety or welfare of the general public or the occupants, if any, of the real property on which the structure or condition is located. The term includes, without limitation, a structure or condition that:

- (a) Does not meet the requirements of a code or regulation adopted pursuant to NRS 268.413 with respect to minimum levels of health, maintenance or safety; or
- (b) Violates an ordinance, rule or regulation regulating health and safety enacted, adopted or passed by the governing body of a city, the violation of which is designated as a nuisance in the ordinance, rule or regulation.
  - **Sec. 2.** NRS 268.4124 is hereby amended to read as follows:
- 268.4124 1. The governing body of a city may, by ordinance, to protect the public health, safety and welfare of the residents of the city, adopt procedures pursuant to which the city attorney may file an action in a court of competent jurisdiction to:
- (a) Seek the abatement of a chronic nuisance that is located or occurring within the city;
- (b) If applicable, seek the closure of the property where the chronic nuisance is located or occurring; and
- (c) If applicable, seek penalties against the owner of the property within the city and any other appropriate relief.
  - 2. An ordinance adopted pursuant to subsection 1 must:
  - (a) Contain procedures pursuant to which the owner of the property is:
- (1) Sent notice, by certified mail, return receipt requested, by the city police or other person authorized to issue a citation, of the existence on the property of two or more nuisance activities and the date by which the owner must abate the condition to prevent the matter from being submitted to the city attorney for legal action.
- (2) If the nuisance is not an immediate danger to the public health, safety and welfare and was caused by the criminal activity of a person other than the owner, afforded a minimum of 30 days to abate the nuisance.
- (3) Afforded an opportunity for a hearing before a court of competent jurisdiction.
- (b) Provide that the date specified in the notice by which the owner must abate the condition is tolled for the period during which the owner requests a hearing and receives a decision.
- (c) Provide the manner in which the city will recover money expended for labor and materials used to abate the condition on the property if the owner fails to abate the condition.
- 3. If the court finds that a chronic nuisance exists and emergency action is necessary to avoid immediate threat to the public health, welfare or safety, the court shall order the city to secure and close the property for a period not to exceed 1 year or until the nuisance is abated, whichever occurs first, and may:
  - (a) Impose a civil penalty:

- (1) If the property is nonresidential property, of not more than \$750 per day; or
- (2) If the property is residential property, of not more than \$500 per day,
- → for each day that the condition was not abated after the date specified in the notice by which the owner was required to abate the condition;
- (b) Order the owner to pay the city for the cost incurred by the city in abating the condition;
- (c) If applicable, order the owner to pay reasonable expenses for the relocation of any tenants who are affected by the chronic nuisance; and
  - (d) Order any other appropriate relief.
- 4. In addition to any other reasonable means authorized by the court for the recovery of money expended by the city to abate the chronic nuisance and, except as otherwise provided in subsection 5, for the collection of civil penalties imposed pursuant to subsection 3, the governing body *or its designee* may make the expense and civil penalties a special assessment against the property upon which the chronic nuisance is or was located or occurring. The special assessment may be collected at the same time and in the same manner as ordinary county taxes are collected, and is subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary county taxes. All laws applicable to the levy, collection and enforcement of county taxes are applicable to such a special assessment.
- 5. Any civil penalties that have not been collected from the owner of the property may not be made a special assessment against the property pursuant to subsection 4 by the governing body *or its designee* unless:
- (a) At least [12 months] [30] 180 days have elapsed after the date specified in the order of the court by which the owner must abate the chronic nuisance or, if the owner appeals that order, the date specified in the order of the appellate court by which the owner must abate the chronic nuisance, whichever is later;
- (b) The owner has been billed, served or otherwise notified that the civil penalties are due; and
  - (c) The amount of the uncollected civil penalties is more than \$5,000.
- 6. If a designee of the governing body imposes a special assessment pursuant to subsection 4, the designee shall submit a written report to the governing body at least once each calendar quarter that sets forth, for each property against which such an assessment has been imposed:
  - (a) The street address or assessor's parcel number of the property;
- (b) The name of each owner of record of the property as of the date of the assessment; and
- (c) The total amount of the assessment, stating the amount assessed for the expense of abatement and any amount assessed for civil penalties.
  - **7.** As used in this section:

- (a) A "chronic nuisance" exists:
- (1) When three or more nuisance activities exist or have occurred during any 30-day period on the property.
- (2) When a person associated with the property has engaged in three or more nuisance activities during any 30-day period on the property or within 100 feet of the property.
- (3) When the property has been the subject of a search warrant based on probable cause of continuous or repeated violations of chapter 459 of NRS.
- (4) When a building or place is used for the purpose of unlawfully selling, serving, storing, keeping, manufacturing, using or giving away a controlled substance, immediate precursor or controlled substance analog.
- (5) When a building or place was used for the purpose of unlawfully manufacturing a controlled substance, immediate precursor or controlled substance analog and:
- (I) The building or place has not been deemed safe for habitation by a governmental entity; or
- (II) All materials or substances involving the controlled substance, immediate precursor or controlled substance analog have not been removed from or remediated on the building or place by an entity certified or licensed to do so within 180 days after the building or place is no longer used for the purpose of unlawfully manufacturing a controlled substance, immediate precursor or controlled substance analog.
- (b) "Commercial real estate" has the meaning ascribed to it in NRS 645.8711.
- (c) "Controlled substance analog" has the meaning ascribed to it in NRS 453.043.
  - (d) "Immediate precursor" has the meaning ascribed to it in NRS 453.086.
  - (e) "Nuisance activity" means:
  - (1) Criminal activity;
- (2) The presence of debris, litter, garbage, rubble, abandoned or junk vehicles or junk appliances;
  - (3) Excessive noise and violations of curfew; or
- (4) Any other activity, behavior or conduct defined by the governing body to constitute a public nuisance.
- (f) "Person associated with the property" means a person who, on the occasion of a nuisance activity, has:
  - (1) Entered, patronized or visited;
  - (2) Attempted to enter, patronize or visit; or
  - (3) Waited to enter, patronize or visit,
- → a property or a person present on the property.
  - (g) "Residential property" means:

- (1) Improved real estate that consists of not more than four residential units:
- (2) Unimproved real estate for which not more than four residential units may be developed or constructed pursuant to any zoning regulations or any development plan applicable to the real estate; or
- (3) A single-family residential unit, including, without limitation, a condominium, townhouse or home within a subdivision, if the unit is sold, leased or otherwise conveyed unit by unit, regardless of whether the unit is part of a larger building or parcel that consists of more than four units.
- → The term does not include commercial real estate.
  - **Sec. 3.** NRS 268.4126 is hereby amended to read as follows:
- 268.4126 1. The governing body of each city which is located in a county whose population is 100,000 or more may, by ordinance, to protect the public health, safety and welfare of the residents of the city, adopt procedures pursuant to which the city attorney may file an action in a court of competent jurisdiction to seek:
- (a) The abatement of an abandoned nuisance that is located or occurring within the city;
- (b) The repair, safeguarding or demolition of any structure or property where an abandoned nuisance is located or occurring within the city;
- (c) Authorization for the city to take the actions described in paragraphs (a) and (b);
- (d) Civil penalties against an owner of any structure or property where an abandoned nuisance is located or occurring within the city; and
  - (e) Any other appropriate relief.
  - 2. An ordinance adopted pursuant to subsection 1 must:
  - (a) Contain procedures pursuant to which the owner of the property is:
- (1) Sent notice, by certified mail, return receipt requested, by a person authorized by the city to issue a citation, of the existence on the property of two or more abandoned nuisance activities and the date by which the owner must abate the abandoned nuisance to prevent the matter from being submitted to the city attorney for legal action.
- (2) If the abandoned nuisance is not an immediate danger to the public health, safety or welfare and was caused by the criminal activity of a person other than the owner, afforded a minimum of 30 days to abate the abandoned nuisance.
- (3) Afforded an opportunity for a hearing before a court of competent jurisdiction.
- (b) Provide that the date specified in the notice by which the owner must abate the abandoned nuisance is tolled for the period during which the owner requests a hearing and receives a decision.

- (c) Provide the manner in which the city will, if the owner fails to abate the abandoned nuisance, recover money expended for labor and materials used to:
  - (1) Abate the abandoned nuisance on the property; or
- (2) If applicable, repair, safeguard or demolish a structure or property where the abandoned nuisance is located or occurring.
- 3. If the court finds that an abandoned nuisance exists, the court shall order the owner of the property to abate the abandoned nuisance or repair, safeguard or demolish any structure or property where the abandoned nuisance is located or occurring, and may:
  - (a) Impose a civil penalty:
- (1) If the property is nonresidential property, of not more than \$750 per day; or
- (2) If the property is residential property, of not more than \$500 per day,
- for each day that the abandoned nuisance was not abated after the date specified in the notice by which the owner was required to abate the abandoned nuisance;
- (b) If applicable, order the owner of the property to pay reasonable expenses for the relocation of any tenants who occupy the property legally and who are affected by the abandoned nuisance;
  - (c) If the owner of the property fails to comply with the order:
- (1) Direct the city to abate the abandoned nuisance or repair, safeguard or demolish any structure or property where the abandoned nuisance is located or occurring; and
- (2) Order the owner of the property to pay the city for the cost incurred by the city in taking the actions described in subparagraph (1); and
  - (d) Order any other appropriate relief.
- 4. In addition to any other reasonable means authorized by the court for the recovery of money expended by the city to abate the abandoned nuisance and, except as otherwise provided in subsection 5, for the collection of civil penalties imposed pursuant to subsection 3, the governing body of the city *or its designee* may make the expense and civil penalties a special assessment against the property upon which the abandoned nuisance is or was located or occurring. The special assessment may be collected at the same time and in the same manner as ordinary county taxes are collected, and is subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary county taxes. All laws applicable to the levy, collection and enforcement of county taxes are applicable to such a special assessment.
- 5. Any civil penalties that have not been collected from the owner of the property may not be made a special assessment against the property pursuant to subsection 4 by the governing body *or its designee* unless:

- (a) At least [12 months] [30] 180 days have elapsed after the date specified in the order of the court by which the owner must abate the abandoned nuisance or, if the owner appeals that order, the date specified in the order of the appellate court by which the owner must abate the abandoned nuisance, whichever is later;
- (b) The owner has been billed, served or otherwise notified that the civil penalties are due; and
  - (c) The amount of the uncollected civil penalties is more than \$5,000.
- 6. If a designee of the governing body imposes a special assessment pursuant to subsection 4, the designee shall submit a written report to the governing body at least once each calendar quarter that sets forth, for each property against which such an assessment has been imposed:
  - (a) The street address or assessor's parcel number of the property;
- (b) The name of each owner of record of the property as of the date of the assessment; and
- (c) The total amount of the assessment, stating the amount assessed for the expense of abatement and any amount assessed for civil penalties.
  - **7.** As used in this section:
- (a) An "abandoned nuisance" exists on any property where a building or other structure is located on the property, the property is located in a city that is in a county whose population is 100,000 or more, the property has been vacant or substantially vacant for 12 months or more and:
- (1) Two or more abandoned nuisance activities exist or have occurred on the property during any 12-month period; or
- (2) A person associated with the property has caused or engaged in two or more abandoned nuisance activities during any 12-month period on the property or within 100 feet of the property.
  - (b) "Abandoned nuisance activity" means:
- (1) Instances of unlawful breaking and entering or occupancy by unauthorized persons;
- (2) The presence of graffiti, debris, litter, garbage, rubble, abandoned materials, inoperable vehicles or junk appliances;
  - (3) The presence of unsanitary conditions or hazardous materials;
  - (4) The lack of adequate lighting, fencing or security;
  - (5) Indicia of the presence or activities of gangs;
  - (6) Environmental hazards;
  - (7) Violations of city codes, ordinances or other adopted policy; or
- (8) Any other activity, behavior, conduct or condition defined by the governing body of the city to constitute a threat to the public health, safety or welfare of the residents of or visitors to the city.
- (c) "Commercial real estate" has the meaning ascribed to it in NRS 645.8711.

- (d) "Person associated with the property" means a person who, on the occasion of an abandoned nuisance activity, has:
  - (1) Entered, patronized or visited;
  - (2) Attempted to enter, patronize or visit; or
  - (3) Waited to enter, patronize or visit,
- → a property or a person present on the property.
  - (e) "Residential property" means:
- (1) Improved real estate that consists of not more than four residential units:
- (2) Unimproved real estate for which not more than four residential units may be developed or constructed pursuant to any zoning regulations or any development plan applicable to the real estate; or
- (3) A single-family residential unit, including, without limitation, a condominium, townhouse or home within a subdivision, if the unit is sold, leased or otherwise conveyed unit by unit, regardless of whether the unit is part of a larger building or parcel that consists of more than four units.
- The term does not include commercial real estate.

### Sec. 3.3. NRS 244.3601 is hereby amended to read as follows:

- 244.3601 1. Notwithstanding the abatement procedures set forth in NRS 244.360 or 244.3605, a board of county commissioners may, by ordinance, provide for a reasonable means to secure or summarily abate a dangerous structure or condition that at least three persons who enforce building codes, housing codes, zoning ordinances or local health regulations, or who are members of a local law enforcement agency or fire department, determine in a signed, written statement to be an imminent danger.
- 2. Except as otherwise provided in subsection 3, the owner of the property on which the structure or condition is located must be given reasonable written notice that is:
- (a) If practicable, hand-delivered or sent prepaid by United States mail to the owner of the property; or
  - (b) Posted on the property,
- → before the structure or condition is so secured. The notice must state clearly that the owner of the property may challenge the action to secure or summarily abate the structure or condition and must provide a telephone number and address at which the owner may obtain additional information.
- 3. If it is determined in the signed, written statement provided pursuant to subsection 1 that the structure or condition is an imminent danger and the result of the imminent danger is likely to occur before the notice and an opportunity to challenge the action can be provided pursuant to subsection 2, then the structure or condition which poses such an imminent danger that presents an immediate hazard may be summarily abated. A structure or condition summarily abated pursuant to this section may only be abated to

the extent necessary to remove the imminent danger that presents an immediate hazard. The owner of the structure or condition which is summarily abated must be given written notice of the abatement after its completion. The notice must state clearly that the owner of the property may seek judicial review of the summary abatement and must provide an address and telephone number at which the owner may obtain additional information concerning the summary abatement.

- 4. The costs of securing or summarily abating the structure or condition may be made a special assessment against the real property on which the structure or condition is located and may be collected pursuant to the provisions set forth in subsection 4 of NRS 244.360.
  - 5. As used in this section:
- (a) "Dangerous structure or condition" has the meaning ascribed to it in subsection [61] 7 of NRS 244.3605.
- (b) "Imminent danger" means the existence of any structure or condition that could reasonably be expected to cause injury or endanger the life, safety, health or property of:
- (1) The occupants, if any, of the real property on which the structure or condition is located; or
  - (2) The general public.

## Sec. 3.5. NRS 244.3603 is hereby amended to read as follows:

- 244.3603 1. Each board of county commissioners may, by ordinance, to protect the public health, safety and welfare of the residents of the county, adopt procedures pursuant to which the district attorney may file an action in a court of competent jurisdiction to:
- (a) Seek the abatement of a chronic nuisance that is located or occurring within the unincorporated area of the county;
- (b) If applicable, seek the closure of the property where the chronic nuisance is located or occurring; and
- (c) If applicable, seek penalties against the owner of the property within the unincorporated area of the county and any other appropriate relief.
  - 2. An ordinance adopted pursuant to subsection 1 must:
  - (a) Contain procedures pursuant to which the owner of the property is:
- (1) Sent a notice, by certified mail, return receipt requested, by the sheriff or other person authorized to issue a citation of the existence on the owner's property of nuisance activities and the date by which the owner must abate the condition to prevent the matter from being submitted to the district attorney for legal action.
- (2) If the chronic nuisance is not an immediate danger to the public health, safety or welfare and was caused by the criminal activity of a person other than the owner, afforded a minimum of 30 days to abate the chronic nuisance.

- (3) Afforded an opportunity for a hearing before a court of competent jurisdiction.
- (b) Provide that the date specified in the notice by which the owner must abate the condition is tolled for the period during which the owner requests a hearing and receives a decision.
- (c) Provide the manner in which the county will recover money expended to abate the condition on the property if the owner fails to abate the condition.
- 3. If the court finds that a chronic nuisance exists and action is necessary to avoid serious threat to the public welfare or the safety or health of the occupants of the property, the court may order the county to secure and close the property until the nuisance is abated and may:
  - (a) Impose a civil penalty:
- (1) If the property is nonresidential property, of not more than \$750 per day; or
- (2) If the property is residential property, of not more than \$500 per day,
- → for each day that the condition was not abated after the date specified in the notice by which the owner was required to abate the condition;
- (b) Order the owner to pay the county for the cost incurred by the county in abating the condition; and
  - (c) Order any other appropriate relief.
- 4. In addition to any other reasonable means authorized by the court for the recovery of money expended by the county to abate the chronic nuisance and, except as otherwise provided in subsection 5, for the collection of civil penalties imposed pursuant to subsection 3, the board *or its designee* may make the expense and civil penalties a special assessment against the property upon which the chronic nuisance is located or occurring. The special assessment may be collected pursuant to the provisions set forth in subsection 4 of NRS 244,360.
- 5. Any civil penalties that have not been collected from the owner of the property may not be made a special assessment against the property pursuant to subsection 4 by the board *or its designee* unless:
- (a) At least [12 months] 180 days have elapsed after the date specified in the order of the court by which the owner must abate the chronic nuisance or, if the owner appeals that order, the date specified in the order of the appellate court by which the owner must abate the chronic nuisance, whichever is later:
- (b) The owner has been billed, served or otherwise notified that the civil penalties are due; and
  - (c) The amount of the uncollected civil penalties is more than \$5,000.
- 6. <u>If a designee of the board imposes a special assessment pursuant to</u> subsection 4, the designee shall submit a written report to the board at least

once each calendar quarter that sets forth, for each property against which such an assessment has been imposed:

- (a) The street address or assessor's parcel number of the property;
- (b) The name of each owner of record of the property as of the date of the assessment; and
- (c) The total amount of the assessment, stating the amount assessed for the expense of abatement and any amount assessed for civil penalties.
- 7. As used in this section:
- (a) A "chronic nuisance" exists:
- (1) When three or more nuisance activities exist or have occurred during any 90-day period on the property.
- (2) When a person associated with the property has engaged in three or more nuisance activities during any 90-day period on the property or within 100 feet of the property.
- (3) When the property has been the subject of a search warrant based on probable cause of continuous or repeated violations of chapter 459 of NRS.
- (4) When a building or place is used for the purpose of unlawfully selling, serving, storing, keeping, manufacturing, using or giving away a controlled substance, immediate precursor or controlled substance analog.
- (5) When a building or place was used for the purpose of unlawfully manufacturing a controlled substance, immediate precursor or controlled substance analog and:
- (I) The building or place has not been deemed safe for habitation by a governmental entity; or
- (II) All materials or substances involving the controlled substance, immediate precursor or controlled substance analog have not been removed from or remediated on the building or place by an entity certified or licensed to do so within 180 days after the building or place is no longer used for the purpose of unlawfully manufacturing a controlled substance, immediate precursor or controlled substance analog.
- (b) "Commercial real estate" has the meaning ascribed to it in NRS 645.8711.
- (c) "Controlled substance analog" has the meaning ascribed to it in NRS 453.043.
  - (d) "Immediate precursor" has the meaning ascribed to it in NRS 453.086.
  - (e) "Nuisance activity" means:
  - (1) Criminal activity;
- (2) The presence of debris, litter, garbage, rubble, abandoned or junk vehicles or junk appliances;
- (3) Violations of building codes, housing codes or any other codes regulating the health or safety of occupants of real property;
  - (4) Excessive noise and violations of curfew; or

- (5) Any other activity, behavior or conduct defined by the board to constitute a public nuisance.
  - (f) "Person associated with the property" means:
  - (1) The owner of the property;
  - (2) The manager or assistant manager of the property;
  - (3) The tenant of the property; or
  - (4) A person who, on the occasion of a nuisance activity, has:
    - (I) Entered, patronized or visited;
    - (II) Attempted to enter, patronize or visit; or
    - (III) Waited to enter, patronize or visit,
- the property or a person present on the property.
  - (g) "Residential property" means:
- (1) Improved real estate that consists of not more than four residential units:
- (2) Unimproved real estate for which not more than four residential units may be developed or constructed pursuant to any zoning regulations or any development plan applicable to the real estate; or
- (3) A single-family residential unit, including, without limitation, a condominium, townhouse or home within a subdivision, if the unit is sold, leased or otherwise conveyed unit by unit, regardless of whether the unit is part of a larger building or parcel that consists of more than four units.
- → The term does not include commercial real estate.

### Sec. 3.7 NRS 244.3605 is hereby amended to read as follows:

- 244.3605 1. Notwithstanding the provisions of NRS 244.360 and 244.3601, the board of county commissioners of a county may, to abate public nuisances, adopt by ordinance procedures pursuant to which the board or its designee may order an owner of property within the county to:
  - (a) Repair, safeguard or eliminate a dangerous structure or condition;
- (b) Clear debris, rubbish and refuse which is not subject to the provisions of chapter 459 of NRS;
  - (c) Clear weeds and noxious plant growth; or
- (d) Repair, clear, correct, rectify, safeguard or eliminate any other public nuisance as defined in the ordinance adopted pursuant to this section,
- → to protect the public health, safety and welfare of the residents of the county.
  - 2. An ordinance adopted pursuant to subsection 1 must:
  - (a) Contain procedures pursuant to which the owner of the property is:
- (1) Sent notice, by certified mail, return receipt requested, of the existence on the owner's property of a public nuisance set forth in subsection 1 and the date by which the owner must abate the public nuisance.

- (2) If the public nuisance is not an immediate danger to the public health, safety or welfare and was caused by the criminal activity of a person other than the owner, afforded a minimum of 30 days to abate the public nuisance.
- (3) Afforded an opportunity for a hearing before the designee of the board <u>relating to the order of abatement</u> and an appeal of that decision either to the board or to a court of competent jurisdiction, as determined by the ordinance adopted pursuant to subsection 1.
- (4) Afforded an opportunity for a hearing before the designee of the board relating to the imposition of civil penalties and an appeal of that decision either to the board or to a court of competent jurisdiction, as determined by the ordinance adopted pursuant to subsection 1.
- (b) Provide that the date specified in the notice by which the owner must abate the public nuisance is tolled for the period during which the owner requests a hearing and receives a decision.
- (c) Provide the manner in which the county will recover money expended to abate the public nuisance on the property if the owner fails to abate the public nuisance.
- (d) Provide for civil penalties for each day that the owner did not abate the public nuisance after the date specified in the notice by which the owner was required to abate the public nuisance.
- 3. The county may abate the public nuisance on the property and may recover the amount expended by the county for labor and materials used to abate the public nuisance if:
- (a) The owner has not requested a hearing within the time prescribed in the ordinance adopted pursuant to subsection 1 and has failed to abate the public nuisance on the owner's property within the period specified in the notice:
- (b) After a hearing in which the owner did not prevail, the owner has not filed an appeal within the time prescribed in the ordinance adopted pursuant to subsection 1 and has failed to abate the public nuisance within the period specified in the order; or
- (c) The board or a court of competent jurisdiction has denied the appeal of the owner and the owner has failed to abate the public nuisance within the period specified in the order.
- 4. In addition to any other reasonable means for recovering money expended by the county to abate the public nuisance and, except as otherwise provided in subsection 5, for collecting civil penalties imposed pursuant to the ordinance adopted pursuant to subsection 1, the <u>board or its designee</u> <u>may make the</u> expense and civil penalties [are] a special assessment against the property upon which the public nuisance is located, and this special assessment may be collected pursuant to the provisions set forth in subsection 4 of NRS 244.360.

- 5. Any civil penalties that have not been collected from the owner of the property [are not] <u>may not be made</u> a special assessment against the property pursuant to subsection 4 <u>by the board or its designee</u> unless:
- (a) At least 12 months have elapsed after the date specified in the notice by which the owner must abate the public nuisance or the date specified in the order of the board or court by which the owner must abate the public nuisance, whichever is later;
- (b) The owner has been billed, served or otherwise notified that the civil penalties are due; and
  - (c) The amount of the uncollected civil penalties is more than \$5,000.
- 6. If a designee of the board imposes a special assessment pursuant to subsection 4, the designee shall submit a written report to the board at least once each calendar quarter that sets forth, for each property against which such an assessment has been imposed:
  - (a) The street address or assessor's parcel number of the property;
- (b) The name of each owner of record of the property as of the date of the assessment; and
- (c) The total amount of the assessment, stating the amount assessed for the expense of abatement and any amount assessed for civil penalties.
- <u>7.</u> As used in this section, "dangerous structure or condition" means a structure or condition that is a public nuisance which may cause injury to or endanger the health, life, property or safety of the general public or the occupants, if any, of the real property on which the structure or condition is located. The term includes, without limitation, a structure or condition that:
- (a) Does not meet the requirements of a code or regulation adopted pursuant to NRS 244.3675 with respect to minimum levels of health or safety; or
- (b) Violates an ordinance, rule or regulation regulating health and safety enacted, adopted or passed by the board of county commissioners of a county, the violation of which is designated by the board as a public nuisance in the ordinance, rule or regulation.
  - **Sec. 4.** This act becomes effective upon passage and approval.

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 186.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 481.

AN ACT relating to labor; creating the Wage Claim Restitution Account; requiring an employer to provide to his or her employees at the time of hire [written notice containing] certain employment-related information\_; [on a form prescribed by the Labor Commissioner; requiring an employer to obtain from an employee acknowledgment of receipt of the notice;] and providing other matters properly relating thereto.

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

Existing law requires an employer in this State to conspicuously post on the premises where any person is employed a printed abstract of chapter 608 of NRS, which governs compensation, wages and hours. (NRS 608.013) [Sections 3 and] Section 5 of this bill [require] requires an employer [also] to provide to his or her employees at the time of hire [written notice containing] certain employment-related information . [on a form prescribed by the Labor Commissioner. Each time an employer provides such notice to an employee, section 5 requires the employer to obtain from the employee and maintain a signed and dated acknowledgment of receipt of the notice.]

**Section 4** of this bill creates the Wage Claim Restitution Account into which must be deposited 25 percent of the amount of certain administrative penalties collected by the Labor Commissioner. The money in the Account must be used only to provide restitution to certain employees who are underpaid by their employers in violation of certain provisions of existing law when no other source of restitution is available.

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

**Section 1.** NRS 607.160 is hereby amended to read as follows:

607.160 1. The Labor Commissioner:

- (a) Shall enforce all labor laws of the State of Nevada:
- (1) Without regard to whether an employee or worker is lawfully or unlawfully employed; and
- (2) The enforcement of which is not specifically and exclusively vested in any other officer, board or commission.
  - (b) May adopt regulations to carry out the provisions of paragraph (a).
- 2. If the Labor Commissioner has reason to believe that a person is violating or has violated a labor law or regulation, the Labor Commissioner may take any appropriate action against the person to enforce the labor law or regulation whether or not a claim or complaint has been made to the Labor Commissioner concerning the violation.
- 3. Before the Labor Commissioner may enforce an administrative penalty against a person who violates a labor law or regulation, the Labor

Commissioner must provide the person with notice and an opportunity for a hearing as set forth in NRS 607.207.

- 4. In determining the amount of any administrative penalty to be imposed against a person who violates a labor law or regulation, the Labor Commissioner shall consider the person's previous record of compliance with the labor laws and regulations and the severity of the violation.
- 5. [All] Except as otherwise provided in section 4 of this act, all money collected by the Labor Commissioner as an administrative penalty must be deposited in the State General Fund.
- 6. The actions and remedies authorized by the labor laws are cumulative. If a person violates a labor law or regulation, the Labor Commissioner may seek a civil remedy, impose an administrative penalty or take other administrative action against the person whether or not the person is prosecuted, convicted or punished for the violation in a criminal proceeding. The imposition of a civil remedy, an administrative penalty or other administrative action against the person does not operate as a defense in any criminal proceeding brought against the person.
- 7. If, after due inquiry, the Labor Commissioner believes that a person who is financially unable to employ counsel has a valid and enforceable claim for wages, commissions or other demands, the Labor Commissioner may present the facts to the Attorney General. The Attorney General shall prosecute the claim if the Attorney General determines that the claim is valid and enforceable.
- **Sec. 2.** Chapter 608 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

### Sec. 3. [1. The Labor Commissioner shall:

- (a) Prescribe by regulation the forms on which an employer may provide the notice required by subsection 2 of NRS 608.013 and obtain the acknowledgment required by subsection 3 of NRS 608.013. Each form must be printed in English and may be printed in one or more additional languages—as determined by the Labor Commissioner pursuant to paragraph (b).
- -(b) Determine the languages, in addition to English, in which to provide the forms described in paragraph (a), taking into account the population of persons working within the State of Nevada who speak languages other than English and any other factors the Labor Commissioner deems relevant.
- 2. An employer may not be penalized for errors or omissions in the non English portions of any notice provided on a form prescribed by the Labor Commissioner pursuant to subsection 1.] (Deleted by amendment.)
- Sec. 4. 1. The Wage Claim Restitution Account is hereby created in the State General Fund. The Labor Commissioner shall administer the

Account. Twenty-five percent of the amount of each administrative penalty collected by the Labor Commissioner pursuant to NRS 608.195 [and 608.290] for a violation of NRS 608.040 must be delivered to the custody of the State Treasurer for deposit to the credit of the Account.

- 2. The money in the Account must be used only to provide restitution to an employee who is underpaid by an employer in violation of the provisions of NRS 608.017, 608.100 or 608.250 when no other source of restitution is available. An employee who is underpaid by an employer in violation of the provisions of NRS 608.017, 608.100 or 608.250 may make a claim against the Account, and the Labor Commissioner may approve such a claim in accordance with regulations adopted by the Labor Commissioner.
- 3. The State Treasurer may disburse money from the Account only upon written order of the State Controller.
- 4. Any interest earned on the money in the Account must be credited to the Account. Any money remaining in the Account at the end of any fiscal year does not revert to the State General Fund.
  - **Sec. 5.** NRS 608.013 is hereby amended to read as follows:
  - 608.013 Every employer shall [conspicuously]:
- 1. Conspicuously post and keep so posted on the premises where any person is employed a printed abstract of this chapter to be furnished by the Labor Commissioner.
- 2. At the time of hire, provide to each employee, fin the language the employer normally uses to communicate employment related information to the employee, written notice containing the following information:
- (a) The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission or otherwise <u>f;f</u>, that are applicable to the employee at the time of hire;
- (b) [For any employee eligible for] The provisions concerning overtime compensation [pursuant to] set forth in NRS 608.018, [the regular hourly rate of pay and the overtime rate of pay;] if applicable;
- (c) Allowances, if any, claimed as part of the minimum wage, including [tip,] meal or lodging allowances;
- (d) The regular paydays established by the employer in accordance with the provisions of NRS 608.080;
  - (e) The name of the employer;
- (f) The physical address of the employer's main office or principal place of business;
- (g) If different from the address described in paragraph (f), a mailing address of the employer;
  - (h) The telephone number of the employer; and
- (i) The name, address and telephone number of the workers' compensation insurance carrier of the employer. [; and

- (i) Any other information the Labor Commissioner may prescribe.
- 3. Obtain from each employee a written acknowledgment that the employee has received the notice required by subsection 2, which must:
- (a) Be signed and dated by the employee; and
- (b) Include an affirmation by the employee that the employee accurately identified his or her primary language to the employer and that the notice provided by the employer to the employee pursuant to subsection 2 contained the information required by subsection 2.
- 4. Provide the notice required by subsection 2 and obtain the acknowledgment required by subsection 3 in English and the primary language of the employee, if that language is a language other than English and the Labor Commissioner has prescribed a form in that language pursuant to section 3 of this act. If the Labor Commissioner has not prescribed such a form in the language the employee has identified as his or her primary language, the employer may provide the notice required by subsection 2 and obtain the acknowledgment required by subsection 3 in English only.
- 5. Maintain a copy of each notice provided pursuant to subsection 2 and the original or a signed and dated copy of the acknowledgment required by subsection 3 for a period of not less than 3 years after the date the employer obtained the acknowledgment.
  - **Sec. 6.** NRS 608.180 is hereby amended to read as follows:
- 608.180 The Labor Commissioner or the representative of the Labor Commissioner shall cause the provisions of NRS 608.005 to 608.195, inclusive, *and* [sections 3 and] section 4 of this act to be enforced, and upon notice from the Labor Commissioner or the representative:
- 1. The district attorney of any county in which a violation of those sections has occurred;
  - 2. The Deputy Labor Commissioner, as provided in NRS 607.050;
  - 3. The Attorney General, as provided in NRS 607.160 or 607.220; or
  - 4. The special counsel, as provided in NRS 607.065,
- ➡ shall prosecute the action for enforcement according to law.
- **Sec. 7.** 1. This section and sections 1 to 4, inclusive, and 6 of this act become effective upon passage and approval.
  - 2. Section 5 of this act becomes effective on October 1, 2013.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 213.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 514.

AN ACT relating to service contracts; allowing a provider to qualify for the issuance of a certificate of registration by maintaining a reserve account and depositing certain security with the Commissioner of Insurance; and providing other matters properly relating thereto.

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

Under existing law, in order to be issued a certificate of registration, a provider who wishes to issue, sell or offer for sale any service contracts in this State must: (1) purchase a contractual liability insurance policy which insures the obligations of each service contract that the provider issues, sells or offers for sale; or (2) maintain, or be a subsidiary of a parent company that maintains, a net worth or stockholders' equity of at least \$100,000,000. (NRS 690C.170) Without revising those provisions of existing law, this bill reenacts provisions, repealed in the 2011 Legislative Session, that allow a provider to qualify for the issuance of a certificate of registration by: (1) maintaining a reserve account that contains at all times at least 40 percent of the gross consideration received by the provider for any unexpired contracts, less any claims paid on those contracts; and (2) depositing security with the Commissioner of Insurance in the amount of [\$25,000 or 5] \$50,000 or 10 percent of the gross consideration received by the provider for any unexpired service contracts, less any claims paid on those contracts, whichever is greater.

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

**Section 1.** NRS 690C.170 is hereby amended to read as follows:

690C.170 To be issued a certificate of registration, a provider must comply with one of the following:

- 1. Purchase a contractual liability insurance policy which insures the obligations of each service contract the provider issues, sells or offers for sale. The contractual liability insurance policy must be issued by an insurer which is not an affiliate of the provider and which is authorized to transact insurance in this state or pursuant to the provisions of chapter 685A of NRS. [; or]
- 2. Maintain a reserve account and deposit with the Commissioner security as provided in this subsection. The reserve account must contain at all times an amount of money equal to at least 40 percent of the gross consideration received by the provider for any unexpired service contracts,

less any claims paid on those unexpired service contracts. The Commissioner may examine the reserve account at any time. The provider shall also deposit with the Commissioner security in an amount that is equal to [\$25,000 or 5] \$50,000 or 10 percent of the gross consideration received by the provider for any unexpired service contracts, less any claims paid on the unexpired service contracts, whichever is greater. The security must be:

- (a) A surety bond issued by a surety company authorized to do business in this State;
  - (b) Securities of the type eligible for deposit pursuant to NRS 682B.030;
  - (c) Cash;
- (d) An irrevocable letter of credit issued by a financial institution approved by the Commissioner; or
  - (e) In any other form prescribed by the Commissioner.
- 3. Maintain, or be a subsidiary of a parent company that maintains, a net worth or stockholders' equity of at least \$100,000,000. Upon request, a provider shall provide to the Commissioner a copy of the most recent Form 10-K report or Form 20-F report filed by the provider or parent company of the provider with the Securities and Exchange Commission within the previous year. If the provider or parent company is not required to file those reports with the Securities and Exchange Commission, the provider shall provide to the Commissioner a copy of the most recently audited financial statements of the provider or parent company. If the net worth or stockholders' equity of the parent company of the provider is used to comply with the requirements of this subsection, the parent company must guarantee to carry out the duties of the provider under any service contract issued or sold by the provider.
  - **Sec. 2.** This act becomes effective on January 1, 2014.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 291.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 420.

AN ACT relating to veterans; revising provisions relating to preferences in state purchasing for businesses owned by a veteran with a service-connected disability; revising provisions relating to preferences in public works for

businesses owned by a veteran with a service-connected disability; and providing other matters properly relating thereto.

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

Existing law deems a bid or proposal submitted by a local business owned by a veteran with a service-connected disability for a state purchasing contract or contract for a public work to be 5 percent lower than the bid actually submitted. (NRS 333.3366, 338.13844) Sections 3 and 16 of this bill provide that a business qualifies for the 5 percent preference on a contract for which the estimated cost is less than a \$100,000 if it is certified as a local business owned and operated by a veteran with a serviceconnected disability pursuant to section 11 of this bill. A business qualifies for the 5 percent preference on a contract for which the estimated cost exceeds \$100,000 but is less than \$250,000 if it is certified as a local business owned and operated by a veteran with a service-connected disability that has been determined to be 50 percent or more by the United States Department of Veterans Affairs. Sections 3 and 16 also provide for the breaking of a tie for low bid in favor first of a business certified pursuant to section 11 and second of the business with the lowest net worth.

Section 11 requires the Office of Economic Development to certify a business as a local business owned and operated by a veteran with a service-connected disability if the business submits certain information and the Office determines that the business meets the definitions of a "business owned and operated by a veteran with a service-connected disability" and a "local business." Such a certification is valid for 2 years and may be renewed. Section 11 requires such a certified business to report any event that may affect the certification of the business within 30 business days after the event. Section 11 further requires the Office to indicate on such a certification if the service-connected disability of the veteran who owns and operates the business has been determined by the United States Department of Veterans Affairs to be at least a 50 percent disability.

Section 12 of this bill requires: (1) each state agency to submit all solicitations for the award of a contract and any information supporting the solicitation to the Office; and (2) the Office to maintain a database of such information that is made available to the certified businesses. Section 13 of this bill requires the Office to maintain an electronic directory of certified businesses for use by the State, its agencies and political subdivisions and the public. Section 13 requires the Office of Economic Development to cooperate with the Office of Veterans Services and certain nonprofit organizations to support businesses that may be eligible for certification. Section 13 allows the Executive Director of the Office of Economic Development, in cooperation with the Purchasing Division of the Department

of Administration and the State Public Works Division of the Department of Administration, to adopt such regulations as are necessary to carry out the preference for certified businesses.

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

**Section 1.** Chapter 333 of NRS is hereby amended by adding thereto a new section to read as follows:

"Certified local business owned and operated by a veteran with a service-connected disability" means a business that is certified pursuant to section 11 of this act.

- **Sec. 2.** NRS 333.3361 is hereby amended to read as follows:
- 333.3361 As used in NRS 333.3361 to 333.3369, inclusive, *and section* 1 of this act, unless the context otherwise requires, the words and terms defined in NRS [333.3362 to 333.3365, inclusive,] 333.3364 and section 1 of this act have the meanings ascribed to them in those sections.
  - **Sec. 3.** NRS 333.3366 is hereby amended to read as follows:
- 333.3366 For the purpose of awarding a formal contract solicited pursuant to subsection 2 of NRS 333.300, if [4]:
- 1. A certified local business owned and operated by a veteran with a service-connected disability submits a bid or proposal <u>for a contract for which the estimated cost is \$100,000 or less</u> and is a responsive and responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted.
- 2. A certified local business owned and operated by a veteran with a service-connected disability which is determined to be 50 percent or more by the United States Department of Veterans Affairs submits a bid or proposal for a contract for which the estimated cost exceeds \$100,000 but is less than \$250,000 and is a responsive and responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted.
- 3. After the application of subsection  $1 + \frac{1}{13}$  or 2, as applicable, two or more lowest bids or proposals are identical and only one bid or proposal was submitted by a certified local business owned and operated by a veteran with a service-connected disability, the certified local business owned and operated by a veteran with a service-connected disability that submitted the bid or proposal shall be deemed to be the lowest responsive and responsible bidder.
- [3.] 4. After the application of subsection 1 [3.] or 2, as applicable, two or more lowest bids or proposals are identical and more than one bid or proposal was submitted by a certified local business owned and operated by a veteran with a service-connected disability, the certified local business

owned and operated by a veteran with a service-connected disability which has the smallest net worth shall be deemed to be the lowest responsive and responsible bidder.

- **Sec. 4.** NRS 333.3368 is hereby amended to read as follows:
- 333.3368 The Purchasing Division shall report every 6 months to the Legislature, if it is in session, or to the Interim Finance Committee, if the Legislature is not in session. The report must contain, for the period since the last report:
- 1. The number of state purchasing contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive [-], and section 1 of this act.
- 2. The total dollar amount of state purchasing contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive [...], and section 1 of this act.
- 3. The number of *certified* local businesses owned *and operated* by veterans with service-connected disabilities that submitted a bid or proposal on a state purchasing contract.
- 4. The number of state purchasing contracts that were awarded to *certified* local businesses owned *and operated* by veterans with service-connected disabilities.
- 5. The total number of dollars' worth of state purchasing contracts that were awarded to *certified* local businesses owned *and operated* by veterans with service-connected disabilities.
- 6. Any other information deemed relevant by the Director of the Legislative Counsel Bureau.
  - **Sec. 5.** NRS 333.3369 is hereby amended to read as follows:
- 333.3369 The Purchasing Division may adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 333.3361 to 333.3369, inclusive [. The regulations may include, without limitation, provisions setting forth:
- -1. The method by which a business may apply to receive a preference described in NRS 333.3366:
- 2. The documentation or other proof that a business must submit to demonstrate that it qualifies for a preference described in NRS 333.3366; and
- 3. Such other matters as the Purchasing Division deems relevant.
- → ], and section 1 of this act. In carrying out the provisions of this section, the Purchasing Division shall, to the extent practicable, cooperate and coordinate with the State Public Works Division of the Department of Administration and the Office of Economic Development so that any regulations adopted pursuant to this section and NRS 338.13847 and section 13 of this act are reasonably consistent.

- **Sec. 6.** Chapter 231 of NRS is hereby amended by adding thereto the provisions set forth as sections 7 to 13, inclusive, of this act.
- Sec. 7. As used in sections 7 to 13, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 8, 9 and 10 of this act have the meanings ascribed to them in those sections.
- Sec. 8. "Business owned and operated by a veteran with a service-connected disability" means a business:
- 1. Of which at least 51 percent of the ownership interest is held by one or more veterans with service-connected disabilities;
  - 2. That is organized to engage in commercial transactions;
- 3. That is managed and operated on a day-to-day basis by one or more veterans with service-connected disabilities or, if a veteran with a service-connected disability is permanently and totally disabled, the spouse or caregiver of such a veteran;
- 4. That employs not more than 200 permanent, full-time employees; and
- 5. That has, together with any affiliates, a net worth of not more than \$5,000,000 or, if the business is a sole proprietorship, whose sole proprietor has a net worth of not more than \$5,000,000, including both business and personal investments.
- → The term includes a business which meets the above requirements that is transferred to the spouse of a veteran with a service-connected disability upon the death of the veteran, as determined by the United States Department of Veterans Affairs.
- Sec. 9. "Local business" means a business that is domiciled in this State.
- Sec. 10. "Veteran with a service-connected disability" means a veteran of the Armed Forces of the United States who:
  - 1. Is a resident of this State; and
- 2. Has a service-connected disability of at least 5 percent as determined by the United States Department of Veterans Affairs.
- Sec. 11. 1. To receive certification as a local business owned and operated by a veteran with a service-connected disability, a local business must submit an application to the Office of Economic Development, on a form prescribed by the Office, which includes:
  - (a) The name of the business;
- (b) The name and service-connected disability rating of the veteran with a service-connected disability submitting the application on behalf of the business;
- (c) The name, percentage of ownership interest and service-connected disability rating, if any, of each person with an ownership interest in the business;

- (d) The name and service-connected disability rating, if any, of each person that manages or operates the business on a day-to-day basis, including the name and service-connected disability rating of each veteran whose spouse or permanent caregiver manages or operates the business on a day-to-day basis;
- (e) Documentation issued by the United States Department of Veterans Affairs or United States Department of Defense which supports the service-connected disability rating reported for each person pursuant to paragraphs (b), (c) and (d);
  - (f) The number of permanent, full-time employees of the business;
  - (g) The location of the headquarters of the business; and
- (h) The net worth of the business, including any affiliates, or, if the business is a sole proprietorship, the net worth of the sole proprietor, including both personal and business investments.
- 2. If the Office of Economic Development determines that an applicant for certification pursuant to subsection 1 meets the definition of "business owned and operated by a veteran with a service-connected disability" pursuant to section 8 of this act and the definition of "local business" pursuant to section 9 of this act, the Office shall certify the applicant as a local business owned and operated by a veteran with a service-connected disability. If the service-connected disability of the applicant has been determined to be 50 percent or more by the United States Department of Veterans Affairs, the Office shall note that in the certification issued.
- 3. A certification issued pursuant to subsection 2 expires on the date 2 years after its issuance and may be renewed by submitting an application pursuant to subsection 1.
- 4. A business certified pursuant to this section shall notify the Office of Economic Development within 30 business days after the occurrence of any event that may affect the certification of the business, including, without limitation, a change in the ownership or management of daily operations of the business. The Office of Economic Development shall:
  - (a) Revoke the certification of a business that violates this subsection;
- (b) Prohibit each person with an ownership interest in the business that violated this subsection from holding an ownership interest in any business that applies for or holds certification pursuant to this section for I year; and
- (c) Allow the business that violated this subsection to reapply for certification 1 year after the date of the revocation.
- 5. A business whose certification is revoked pursuant to subsection 4 may submit a bid or proposal for a state contract but may not receive a preference for that bid or proposal pursuant to NRS 333.3366 or 338.13844.

- Sec. 12. 1. Each state agency shall, in a timely manner, provide the Office of Economic Development with each solicitation for the award of a contract by the state agency and any information relating to that solicitation which may be necessary to enable a business to offer a bid or proposal for the contract.
- 2. The Office of Economic Development shall maintain a database of the information submitted to the Office pursuant to subsection 1 and make the database available to businesses certified pursuant to section 11 of this act.
- 3. The Office of Economic Development shall report every 6 months to the Legislature, if it is in session, or to the Interim Finance Committee, if the Legislature is not in session. The report must contain, for the period since the last report:
  - (a) The number of businesses certified pursuant to section 11 of this act;
- (b) The number of certified businesses that used the database maintained pursuant to subsection 2 to offer a bid or proposal for a contract with a state agency; and
- (c) The number of certified businesses who were awarded a contract with a state agency, including the number of certified businesses who were awarded a contract after using the database maintained pursuant to subsection 2 to offer a bid or proposal for the contract.
  - Sec. 13. 1. The Office of Economic Development shall:
- (a) Maintain an electronic directory of businesses certified pursuant to section 11 of this act for use by the State, its agencies and political subdivisions and the public; and
  - (b) Cooperate with the Office of Veterans Services to:
- (1) Identify local businesses that may be eligible for certification pursuant to section 11 of this act;
- (2) Encourage and assist such businesses in applying for certification; and
- (3) Provide information regarding services that are available to such businesses from the Office of Economic Development or from a nonprofit organization to support local businesses owned and operated by a veteran with a service-connected disability, including, without limitation, the Elite Service Disabled Veteran Owned Business Network of Nevada; and
- (c) Accept and consider recommendations and information relating to the certification of a business submitted to the Office of Economic Development by a nonprofit organization to support businesses owned and operated by a veteran with a service-connected disability, including, without limitation, the Elite Service Disabled Veteran Owned Business Network of Nevada.

- 2. The Executive Director may adopt such regulations as may be necessary to carry out the provisions of sections 7 to 13, inclusive, of this act. In carrying out the provisions of this subsection, the Executive Director shall, to the extent practicable, cooperate and coordinate with the Purchasing Division of the Department of Administration and the State Public Works Division of the Department of Administration so that any regulations adopted pursuant to this section, NRS 333.3369 and 338.13847 are reasonably consistent.
  - **Sec. 14.** NRS 231.053 is hereby amended to read as follows:
- 231.053 After considering any pertinent advice and recommendations of the Board, the Executive Director:
- 1. Shall direct and supervise the administrative and technical activities of the Office.
- 2. Shall develop and may periodically revise a State Plan for Economic Development, which must include a statement of:
  - (a) New industries which have the potential to be developed in this State;
  - (b) The strengths and weaknesses of this State for business incubation;
  - (c) The competitive advantages and weaknesses of this State;
- (d) The manner in which this State can leverage its competitive advantages and address its competitive weaknesses;
- (e) A strategy to encourage the creation and expansion of businesses in this State and the relocation of businesses to this State; and
- (f) Potential partners for the implementation of the strategy, including, without limitation, the Federal Government, local governments, local and regional organizations for economic development, chambers of commerce, and private businesses, investors and nonprofit entities.
- 3. Shall develop criteria for the designation of regional development authorities pursuant to subsection 4.
- 4. Shall designate as many regional development authorities for each region of this State as the Executive Director determines to be appropriate to implement the State Plan for Economic Development. In designating regional development authorities, the Executive Director must consult with local governmental entities affected by the designation. The Executive Director may, if he or she determines that such action would aid in the implementation of the State Plan for Economic Development, remove the designation of any regional development authority previously designated pursuant to this section.
- 5. Shall establish procedures for entering into contracts with regional development authorities to provide services to aid, promote and encourage the economic development of this State.
- 6. May apply for and accept any gift, donation, bequest, grant or other source of money to carry out the provisions of NRS 231.020 to 231.139,

inclusive, and 231.1573 to 231.1597, inclusive [...], and sections 7 to 13, inclusive, of this act.

- 7. May adopt such regulations as may be necessary to carry out the provisions of NRS 231.020 to 231.139, inclusive, and 231.1573 to 231.1597, inclusive [...], and sections 7 to 13, inclusive, of this act.
- 8. In a manner consistent with the laws of this State, may reorganize the programs of economic development in this State to further the State Plan for Economic Development. If, in the opinion of the Executive Director, changes to the laws of this State are necessary to implement the economic development strategy for this State, the Executive Director must recommend the changes to the Governor and the Legislature.
  - **Sec. 15.** NRS 338.1384 is hereby amended to read as follows:
- 338.1384 As used in NRS 338.1384 to 338.13847, inclusive, unless the context otherwise requires, [the words and terms defined in NRS 338.13841, 338.13842 and 338.13843 have the meanings ascribed to them in those sections.] "certified local business owned and operated by a veteran with a service-connected disability" means a business that is certified pursuant to section 11 of this act.
  - **Sec. 16.** NRS 338.13844 is hereby amended to read as follows:
- 338.13844 1. For the purpose of awarding a contract for a public work of this State <u>for which the estimated cost is \$100,000 or less</u>, as governed by NRS 338.13862, if [a]:
- (a) A certified local business owned and operated by a veteran with a service-connected disability submits a bid, the bid shall be deemed to be 5 percent lower than the bid actually submitted.
- (b) After the application of paragraph (a), two or more lowest bids are identical and only one bid was submitted by a certified local business owned and operated by a veteran with a service-connected disability, the certified local business owned and operated by a veteran with a service-connected disability that submitted the bid shall be deemed to be the lowest responsive and responsible bidder and to have submitted the best bid.
- (c) After the application of paragraph (a), two or more lowest bids are identical and more than one bid was submitted by a certified local business owned and operated by a veteran with a service-connected disability, the certified local business owned and operated by a veteran with a service-connected disability which has the smallest net worth shall be deemed to be the lowest responsive and responsible bidder and to have submitted the best bid.
- 2. For the purpose of awarding a contract for a public work in this State for which the estimated cost is more than \$100,000 but less than \$250,000, if:

- (a) A certified local business owned and operated by a veteran with a service-connected disability that has been determined to be 50 percent or more by the United States Department of Veterans Affairs submits a bid or proposal and is a responsive and responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted.
- (b) After the application of paragraph (a), two or more lowest bids or proposals are identical and only one bid or proposal was submitted by a certified local business owned and operated by a veteran with a service-connected disability which has been determined to be 50 percent or more by the United States Department of Veterans Affairs, the certified local business owned and operated by a veteran with such a service-connected disability that submitted the bid or proposal shall be deemed to be the lowest responsive and responsible bidder and to have submitted the best bid or proposal.
- (c) After the application of paragraph (a), two or more lowest bids or proposals are identical and more than one bid or proposal was submitted by a certified local business owned and operated by a veteran with a service-connected disability which has been determined to be 50 percent or more by the United States Department of Veterans Affairs, the certified local business owned and operated by a veteran with such a service-connected disability which has the smallest net worth shall be deemed to be the lowest responsive and responsible bidder and to have submitted the best bid or proposal.
- <u>3.</u> The <u>{preference}</u> <u>preferences</u> described in <u>{subsection}</u> <u>subsections</u> 1 <u>and 2</u> may not be combined with any other preference.
  - **Sec. 17.** NRS 338.13846 is hereby amended to read as follows:
- 338.13846 The Division shall report every 6 months to the Legislature, if it is in session, or to the Interim Finance Committee, if the Legislature is not in session. The report must contain, for the period since the last report:
- 1. The number of contracts for public works of this State that were subject to the provisions of NRS 338.1384 to 338.13847, inclusive.
- 2. The total dollar amount of contracts for public works of this State that were subject to the provisions of NRS 338.1384 to 338.13847, inclusive.
- 3. The number of *certified* local businesses owned *and operated* by veterans with service-connected disabilities that submitted a bid or proposal on a contract for a public work of this State.
- 4. The number of contracts for public works of this State that were awarded to *certified* local businesses owned *and operated* by veterans with service-connected disabilities.

- 5. The total number of dollars' worth of contracts for public works of this State that were awarded to *certified* local businesses owned *and operated* by veterans with service-connected disabilities.
- 6. Any other information deemed relevant by the Director of the Legislative Counsel Bureau.
  - **Sec. 18.** NRS 338.13847 is hereby amended to read as follows:
- 338.13847 The State Public Works Board may adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 338.1384 to 338.13847, inclusive. [The regulations may include, without limitation, provisions setting forth:
- -1. The method by which a business may apply to receive the preference described in NRS 338.13844:
- 2. The documentation or other proof that a business must submit to demonstrate that it qualifies for the preference described in NRS 338.13844; and
- 3. Such other matters as the Division deems relevant.
- → In carrying out the provisions of this section, the State Public Works Board and the Division shall, to the extent practicable, cooperate and coordinate with the Purchasing Division of the Department of Administration and the Office of Economic Development so that any regulations adopted pursuant to this section and NRS 333.3369 and section 13 of this act are reasonably consistent.
  - **Sec. 19.** NRS 417.105 is hereby amended to read as follows:
- 417.105 1. Each year on or before October 1, the Office of Veterans Services shall review the reports submitted pursuant to NRS 333.3368 and 338.13846.
- 2. In carrying out the provisions of subsection 1, the Office of Veterans Services shall seek input from:
  - (a) The Purchasing Division of the Department of Administration.
- (b) The State Public Works Board of the State Public Works Division of the Department of Administration.
  - (c) The Office of Economic Development.
- (d) Groups representing the interests of veterans of the Armed Forces of the United States.
  - (e) The business community.
- (f) [Local] Certified local businesses owned and operated by veterans with service-connected disabilities.
- 3. After performing the duties described in subsections 1 and 2, the Office of Veterans Services shall make recommendations to the Legislative Commission regarding the continuation, modification, promotion or expansion of the preferences for *certified* local businesses owned *and*

*operated* by veterans with service-connected disabilities which are described in NRS 333.3366 and 338.13844.

- 4. As used in this section [:
- —(a) "Business], "Certified local business owned and operated by a veteran with a service-connected disability" has the meaning ascribed to it in NRS [338.13841.
- (b) "Local business" has the meaning ascribed to it in NRS 333.3363.
- (c) "Veteran with a service connected disability" has the meaning ascribed to it in NRS 338.13843.] 338.1384.
- **Sec. 20.** NRS 333.3362, 333.3363, 333.3365, 338.13841, 338.13842 and 338.13843 are hereby repealed.
  - **Sec. 21.** This act becomes effective on July 1, 2013.

#### LEADLINES OF REPEALED SECTIONS

- 333.3362 Preference for bid or proposal submitted by local business owned by veteran with service-connected disability: "Business owned by a veteran with a service-connected disability" defined.
- 333.3363 Preference for bid or proposal submitted by local business owned by veteran with service-connected disability: "Local business" defined.
- 333.3365 Preference for bid or proposal submitted by local business owned by veteran with service-connected disability: "Veteran with a service-connected disability" defined.
- 338.13841 "Business owned by a veteran with a service-connected disability" defined.

338.13842 "Local business" defined.

338.13843 "Veteran with a service-connected disability" defined.

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 334.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 209.

AN ACT relating to contractors; exempting certain [property owners,] licensed real estate brokers and salespersons from provisions relating to contractors; requiring certain licensed real estate brokers and salespersons to maintain certain records; and providing other matters properly relating thereto.

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

Existing law [exempts] provides certain exemptions from the applicability of the provisions of chapter 624 of NRS, which provides for the licensing and regulation of contractors . [, a property owner who is building or improving a residential structure on the property for his or her own occupancy and not intended for sale or lease.] (NRS 624.031) This bill falso exempts from those provisions: (1) a property owner who is building or improving a residential structure regardless of whether the structure is for his or her own occupancy and is intended for sale or lease, unless the work requires a building permit; and (2) any employee of such a property owner. In addition, this bill exempts from those provisions a licensed real estate broker, real estate broker-salesperson or real estate salesperson who, acting within the scope of his or her license or a permit to engage in property management, assists a client in scheduling for performing work to repair or maintain a residential property {, unless a building permit is required to perform the work.] under certain circumstances. This bill also requires the person licensed as a real estate broker, real estate broker-salesperson or real estate salesperson to maintain a record of any such work that the person assists a client in scheduling.

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

**Section 1.** NRS 624.031 is hereby amended to read as follows:

624.031 The provisions of this chapter do not apply to:

- 1. Work performed exclusively by an authorized representative of the United States Government, the State of Nevada, or an incorporated city, county, irrigation district, reclamation district, or other municipal or political corporation or subdivision of this State.
  - 2. An officer of a court when acting within the scope of his or her office.
- 3. Work performed exclusively by a public utility operating pursuant to the regulations of the Public Utilities Commission of Nevada on construction, maintenance and development work incidental to its business.
- 4. An owner of property who is building or improving a residential structure on the property for his or her own occupancy and not intended for sale or lease. The sale or lease, or the offering for sale or lease, of the newly built structure within 1 year after its completion creates a rebuttable presumption for the purposes of this section that the building of the structure was performed with the intent to sell or lease that structure. For an employee of such an owner, unless a building permit is required to perform the work.] An owner of property who requests an exemption pursuant to this subsection must apply to the Board for the exemption. The Board shall adopt regulations setting forth the requirements for granting the exemption.

- 5. Any work to repair or maintain property the value of which is less than \$1,000, including labor and materials, unless:
  - (a) A building permit is required to perform the work;
- (b) The work is of a type performed by a plumbing, electrical, refrigeration, heating or air-conditioning contractor;
- (c) The work is of a type performed by a contractor licensed in a classification prescribed by the Board that significantly affects the health, safety and welfare of members of the general public;
  - (d) The work is performed as a part of a larger project:
  - (1) The value of which is \$500 or more; or
- (2) For which contracts of less than \$500 have been awarded to evade the provisions of this chapter; or
- (e) The work is performed by a person who is licensed pursuant to this chapter or by an employee of that person.
- 6. The sale or installation of any finished product, material or article of merchandise which is not fabricated into and does not become a permanent fixed part of the structure.
- 7. The construction, alteration, improvement or repair of personal property.
- 8. The construction, alteration, improvement or repair financed in whole or in part by the Federal Government and conducted within the limits and boundaries of a site or reservation, the title of which rests in the Federal Government.
- 9. An owner of property, the primary use of which is as an agricultural or farming enterprise, building or improving a structure on the property for his or her use or occupancy and not intended for sale or lease.
- 10. Construction oversight services provided to a long-term recovery group by a qualified person within a particular geographic area that is described in a proclamation of a state of emergency or declaration of disaster by the State or Federal Government, including, without limitation, pursuant to NRS 414.070. A long-term recovery group may reimburse such reasonable expenses as the qualified person incurs in providing construction oversight services to that group. Except as otherwise provided in this subsection, nothing in this subsection authorizes a person who is not a licensed contractor to perform the acts described in paragraphs (a) and (b) of subsection 1 of NRS 624.700. As used in this subsection:
- (a) "Construction oversight services" means the coordination and oversight of labor by volunteers.
- (b) "Long-term recovery group" means a formal group of volunteers coordinating response and recovery efforts related to a state of emergency or disaster that is proclaimed or declared by the State or Federal Government.

- (c) "Qualified person" means a person who possesses the abilities, education, experience, knowledge, skills and training that a long-term recovery group has identified as being necessary to provide construction oversight services for a project to be performed by that group.
- 11. A person licensed as a real estate broker, real estate brokersalesperson or real estate salesperson pursuant to chapter 645 of NRS who, acting within the scope of the license or a permit to engage in property management issued pursuant to NRS 645.6052, assists a client in scheduling for performing work to repair or maintain residential property pursuant to a written brokerage agreement or a property management agreement. Such assistance includes, without limitation, assisting a client in the hiring of any number of [specialty] licensed contractors to perform the work. Nothing in this subsection authorizes the performance of any work for which a license is required pursuant to this chapter by a person who is not licensed pursuant to this chapter or the payment of any additional compensation to a person licensed as a real estate broker, real estate broker-salesperson or real estate salesperson for assisting a client in scheduling the work. The provisions of this subsection [do not] apply only if a building permit is not required to perform the work H and if the value of the work does not exceed \$10,000 per residential property during the fixed term of the written brokerage agreement, if the assistance is provided pursuant to such an agreement, or during a period not to exceed 6 months if the assistance is provided pursuant to a property management agreement. As used in this subsection:
- (a) "Brokerage agreement" has the meaning ascribed to it in NRS 645.005.
- (b) "Property management agreement" has the meaning ascribed to it in NRS 645.0192.
  - (c) "Real estate broker" has the meaning ascribed to it in NRS 645.030.
- (d) "Real estate broker-salesperson" has the meaning ascribed to it in NRS 645.035.
- (e) "Real estate salesperson" has the meaning ascribed to it in NRS 645.040.
- (f) "Residential property" means:
- (1) Improved real estate that consists of not more than four residential units; or
- (2) A single-family residential unit, including a condominium, townhouse or home within a subdivision, if the unit is sold, leased or otherwise conveyed unit by unit, regardless of whether the unit is part of a larger building or parcel that consists of more than four units.
- Sec. 2. Chapter 645 of NRS is hereby amended by adding thereto a new section to read as follows:

- 1. A person licensed pursuant to this chapter as a real estate broker, real estate broker-salesperson or real estate salesperson shall maintain a record of all work performed on a residential property that the person assists a client in scheduling pursuant to subsection 11 of NRS 624.031.
- 2. The record required by subsection 1 must include, without limitation:
- (a) The name of any person licensed pursuant to chapter 624 of NRS who performs such work;
- (b) The date on which the work was performed;
- (c) A copy of any written contract to perform the work; and
- (d) A copy of any invoice prepared in connection with the work.
- 3. As used in this section, "residential property" has the meaning ascribed to it in NRS 624.031.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 354.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 472.

SUMMARY—Prohibits the <u>fuse</u> <u>manufacture</u>, <u>sale or distribution</u> of certain <u>fehemicals in various</u>] consumer products <u>f.</u> <u>that contain or come in direct physical contact with Bisphenol A. (BDR 52-789)</u>

AN ACT relating to consumer protection; prohibiting the **[use]** manufacture, sale or distribution of certain consumer products that contain or come in direct physical contact with Bisphenol A (BPA); fin certain products; prohibiting the use of toxic flame retardants in any children's product or residential furniture; requiring the Health Division of the Department of Health and Human Services to identify a list of harmful chemicals; providing a penalty;] and providing other matters properly relating thereto.

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

[ Section 10 of this bill prohibits the manufacturing of certain products which contain Bisphenol A (BPA). Section 11 of this bill prohibits a manufacturer from replacing BPA with certain other substances. Section 12 of this bill requires the Commissioner of Food and Drugs to create a process whereby residents of this State can petition for the addition of a chemical to the list of prohibited replacement substances. Section 13 of this bill requires that food packaging containing BPA be labeled as such. Section 14 of this

bill requires a manufacturer to identify on its Internet website the chemical identity of certain substances used in canned food.

Sections 23 and 24 of this bill prohibit a manufacturer, wholesaler or retailer from selling any children's product or residential furniture containing certain prohibited substances. Section 25 of this bill requires manufacturers of products containing such prohibited substances to notify sellers of the products not less than 90 days before the effective date of the restriction of the chemical. Section 26 of this bill provides a civil penalty for a violation of sections 23 and 24.

—Section 36 of this bill requires the Health Division of the Department of Health and Human Services to create a list of not less than 50 and not more than 100 chemicals of high concern which are chemicals that have been identified as toxic, carcinogenic or harmful to the human body. Section 37 of this bill authorizes the Health Division to participate in an interstate clearinghouse to promote the use of safer chemicals in consumer products.]

This bill prohibits the manufacture, sale or distribution of: (1) certain bottles and cups which contain intentionally added Bisphenol A (BPA) and are intended primarily for use by certain children; and (2) baby food and infant formula stored in any container which contains intentionally added BPA.

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

Delete existing sections 1 through 39 of this bill and replace with the following new sections 1 through 4:

- Section 1. Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.
- Sec. 2. A person shall not knowingly manufacture, sell or distribute in this State any bottle or cup which contains intentionally added Bisphenol A if the bottle or cup is designed or intended to be filled with any liquid or food intended primarily for consumption directly from the bottle or cup by a child who is less than 4 years of age.
- Sec. 3. 1. A person shall not knowingly manufacture, sell or distribute in this State any baby food or infant formula stored in a container which contains intentionally added Bisphenol A.
- 2. As used in this section:
- (a) "Baby food" means any prepared solid food consisting of a soft paste or is otherwise easily chewed and is intended primarily for consumption by a child who is less than 4 years of age and is commercially available.
- (b) "Container" means any receptacle, including, without limitation, a box, can, jar, or a lid, that comes in direct physical contact with baby food or infant formula.

(c) "Infant formula" means any liquid or powder that purports or is represented to be for special dietary use solely as a food for infants by nature of its simulation of human milk or its suitability as a complete or partial substitute for human milk.

# Sec. 4. 1. This section and sections 1 and 2 of this act become effective on January 1, 2014.

#### 2. Section 3 of this act becomes effective on July 1, 2014.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 363.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 441.

AN ACT relating to local governments; authorizing certain local governments to abate public nuisances and conditions involving abandoned, [unregistered,] inoperable or junk vehicles by requesting the operator of a tow car to abate the public nuisance or condition; and providing other matters properly relating thereto.

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

Under existing law, a board of county commissioners of a county or the governing body of a city may adopt by ordinance procedures pursuant to which the board or governing body, or a designee thereof, may order an owner of property to abate a public nuisance or condition on the property, including the clearing of certain debris, to protect the public health, safety and welfare of the residents of the county or city. (NRS 244.3605, 268.4122) Existing law further provides that if, after the provision of notice about the nuisance or condition and an opportunity for a hearing, the property owner does not abate the nuisance or condition, the county or city may abate the nuisance or condition and recover from the property owner the amount expended by the county or city for the labor and materials used to abate the nuisance or condition.

Section 2 of this bill adds abandoned, [unregistered,] inoperable or junk vehicles which are not concealed from ordinary public view to the list of [debris and rubbish that constitutes] conditions that constitute a public nuisance for the purposes of an ordinance adopted by a board of county commissioners [] in a county whose population is 700,000 or more (currently only Clark County). Section 2 also provides that such an ordinance may authorize the county to request the operator of a tow car to

abate a public nuisance by towing an abandoned, inoperable <code>[, unregistered]</code> or junk vehicle if certain <code>[conditions]</code> <code>requirements</code> relating to notice and the opportunity for a hearing are satisfied. Similarly, <code>section 3</code> of this bill adds vehicles <code>[that are unregistered or]</code> <code>which are abandoned,</code> inoperable <code>or junk</code> <code>and which are not concealed from ordinary public view</code> to the list of <code>[debris and rubbish that constitutes a]</code> <code>conditions that constitute an unhealthful or unsafe</code> condition for the purposes of an ordinance adopted by the governing body of a city <code>[-]</code> <code>in any county whose population is 700,000</code> <code>or more (currently only Clark County)</code>, and provides that such an ordinance may authorize the city to request the operator of a tow car to abate <code>such</code> a condition by towing an abandoned, inoperable <code>[-, unregistered]</code> or junk vehicle if certain <code>[conditions] requirements</code> relating to notice and the opportunity for a hearing are satisfied.

Existing law provides for the regulation of tow cars and the operators of tow cars. (NRS 706.445-706.453) **Sections 2 and 3** provide that the operator of a tow car who is requested by a county or city to tow a vehicle to abate a public nuisance or condition must comply with those provisions. **[Sections] Section 4 [and 5]** of this bill **[provide] provides** that the registered owner of a vehicle towed pursuant to a request by a county or a city to abate a public nuisance or condition is responsible for the cost of removal and storage of the vehicle . **[, unless the owner can show that he or she no longer owns the vehicle or that the vehicle was stolen. If the registered owner of the vehicle makes such a showing, the owner of the property from which the car was towed is responsible for the cost of removal and storage of the vehicle.]** 

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

**Section 1.** NRS 244.3601 is hereby amended to read as follows:

244.3601 1. Notwithstanding the abatement procedures set forth in NRS 244.360 or 244.3605, a board of county commissioners may, by ordinance, provide for a reasonable means to secure or summarily abate a dangerous structure or condition that at least three persons who enforce building codes, housing codes, zoning ordinances or local health regulations, or who are members of a local law enforcement agency or fire department, determine in a signed, written statement to be an imminent danger.

- 2. Except as otherwise provided in subsection 3, the owner of the property on which the structure or condition is located must be given reasonable written notice that is:
- (a) If practicable, hand-delivered or sent prepaid by United States mail to the owner of the property; or
  - (b) Posted on the property,

- → before the structure or condition is so secured. The notice must state clearly that the owner of the property may challenge the action to secure or summarily abate the structure or condition and must provide a telephone number and address at which the owner may obtain additional information.
- 3. If it is determined in the signed, written statement provided pursuant to subsection 1 that the structure or condition is an imminent danger and the result of the imminent danger is likely to occur before the notice and an opportunity to challenge the action can be provided pursuant to subsection 2, then the structure or condition which poses such an imminent danger that presents an immediate hazard may be summarily abated. A structure or condition summarily abated pursuant to this section may only be abated to the extent necessary to remove the imminent danger that presents an immediate hazard. The owner of the structure or condition which is summarily abated must be given written notice of the abatement after its completion. The notice must state clearly that the owner of the property may seek judicial review of the summary abatement and must provide an address and telephone number at which the owner may obtain additional information concerning the summary abatement.
- 4. The costs of securing or summarily abating the structure or condition may be made a special assessment against the real property on which the structure or condition is located and may be collected pursuant to the provisions set forth in subsection 4 of NRS 244.360.
  - 5. As used in this section:
- (a) "Dangerous structure or condition" has the meaning ascribed to it in subsection  $\frac{16}{7}$  of NRS 244.3605.
- (b) "Imminent danger" means the existence of any structure or condition that could reasonably be expected to cause injury or endanger the life, safety, health or property of:
- (1) The occupants, if any, of the real property on which the structure or condition is located; or
  - (2) The general public.
  - **Sec. 2.** NRS 244.3605 is hereby amended to read as follows:
- 244.3605 1. Notwithstanding the provisions of NRS 244.360 and 244.3601, the board of county commissioners of a county may, to abate public nuisances, adopt by ordinance procedures pursuant to which the board or its designee may order an owner of property within the county to:
  - (a) Repair, safeguard or eliminate a dangerous structure or condition;
- (b) Clear debris, rubbish and refuse *[and abandoned, unregistered, inoperable or junk vehicles]* which <u>is</u> *[are]* not subject to the provisions of chapter 459 of NRS;
- (c) <u>In any county whose population is 700,000 or more, clear</u> abandoned, inoperable or junk vehicles which are not concealed from

# ordinary public view by means of inside storage, suitable fencing, opaque covering, trees, shrubbery or other means;

- (d) Clear weeds and noxious plant growth; or
- [(d)] (e) Repair, clear, correct, rectify, safeguard or eliminate any other public nuisance as defined in the ordinance adopted pursuant to this section, 
  → to protect the public health, safety and welfare of the residents of the county.
  - 2. An ordinance adopted pursuant to subsection 1 must:
  - (a) Contain procedures pursuant to which the owner of the property is:
- (1) Sent notice, by certified mail, return receipt requested, of the existence on the owner's property of a public nuisance set forth in subsection 1 and the date by which the owner must abate the public nuisance.
- (2) If the public nuisance is not an immediate danger to the public health, safety or welfare and was caused by the criminal activity of a person other than the owner, afforded a minimum of 30 days to abate the public nuisance.
- (3) Afforded an opportunity for a hearing before the designee of the board and an appeal of that decision either to the board or to a court of competent jurisdiction, as determined by the ordinance adopted pursuant to subsection 1.
- (b) Provide that the date specified in the notice by which the owner must abate the public nuisance is tolled for the period during which the owner requests a hearing and receives a decision.
- (c) Provide the manner in which the county will recover money expended to abate the public nuisance on the property if the owner fails to abate the public nuisance.
- (d) Provide for civil penalties for each day that the owner did not abate the public nuisance after the date specified in the notice by which the owner was required to abate the public nuisance.
- 3. [An] In any county whose population is 700,000 or more, an ordinance adopted pursuant to subsection 1 may authorize the county to request the operator of a tow car to abate a public nuisance by towing abandoned, inoperable \_f, unregistered] or junk vehicles described in paragraph (c) of subsection 1 if the conditions of subsection 4 are satisfied. The operator of a tow car requested to tow a vehicle pursuant to this section must comply with the provisions of NRS 706.445 to 706.453, inclusive.
- 4. The county may abate the public nuisance on the property and may recover the amount expended by the county for labor and materials used to abate the public nuisance or request abatement by the operator of a tow car pursuant to subsection 3 if:

- (a) The owner has not requested a hearing within the time prescribed in the ordinance adopted pursuant to subsection 1 and has failed to abate the public nuisance on the owner's property within the period specified in the notice;
- (b) After a hearing in which the owner did not prevail, the owner has not filed an appeal within the time prescribed in the ordinance adopted pursuant to subsection 1 and has failed to abate the public nuisance within the period specified in the order; or
- (c) The board or a court of competent jurisdiction has denied the appeal of the owner and the owner has failed to abate the public nuisance within the period specified in the order.
- [4.] 5. In addition to any other reasonable means for recovering money expended by the county to abate the public nuisance and, except as otherwise provided in subsection [5.] 6 for collecting civil penalties imposed pursuant to the ordinance adopted pursuant to subsection 1, the expense and civil penalties are a special assessment against the property upon which the public nuisance is located, and this special assessment may be collected pursuant to the provisions set forth in subsection 4 of NRS 244.360.
- [5.] 6. Any civil penalties that have not been collected from the owner of the property are not a special assessment against the property pursuant to subsection [4] 5 unless:
- (a) At least 12 months have elapsed after the date specified in the notice by which the owner must abate the public nuisance or the date specified in the order of the board or court by which the owner must abate the public nuisance, whichever is later;
- (b) The owner has been billed, served or otherwise notified that the civil penalties are due; and
  - (c) The amount of the uncollected civil penalties is more than \$5,000.
- [6.] 7. As used in this section, "dangerous structure or condition" means a structure or condition that is a public nuisance which may cause injury to or endanger the health, life, property or safety of the general public or the occupants, if any, of the real property on which the structure or condition is located. The term includes, without limitation, a structure or condition that:
- (a) Does not meet the requirements of a code or regulation adopted pursuant to NRS 244.3675 with respect to minimum levels of health or safety; or
- (b) Violates an ordinance, rule or regulation regulating health and safety enacted, adopted or passed by the board of county commissioners of a county, the violation of which is designated by the board as a public nuisance in the ordinance, rule or regulation.

- **Sec. 3.** NRS 268.4122 is hereby amended to read as follows:
- 268.4122 1. The governing body of a city may adopt by ordinance procedures pursuant to which the governing body or its designee may order an owner of property within the city to:
  - (a) Repair, safeguard or eliminate a dangerous structure or condition;
- (b) Clear debris, rubbish, refuse, litter [for] garbage [,] for abandoned, unregistered, inoperable or junk vehicles] or junk appliances which are not subject to the provisions of chapter 459 of NRS; [or]
- (c) In any county whose population is 700,000 or more, clear abandoned, inoperable or junk vehicles which are not concealed from ordinary public view by means of inside storage, suitable fencing, opaque covering, trees, shrubbery or other means; or
- (d) Clear weeds and noxious plant growth,
- to protect the public health, safety and welfare of the residents of the city.
- 2. An ordinance adopted pursuant to subsection 1 must:
- (a) Contain procedures pursuant to which the owner of the property is:
- (1) Sent a notice, by certified mail, return receipt requested, of the existence on the property of a condition set forth in subsection 1 and the date by which the owner must abate the condition.
- (2) If the condition is not an immediate danger to the public health, safety or welfare and was caused by the criminal activity of a person other than the owner, afforded a minimum of 30 days to abate the condition.
- (3) Afforded an opportunity for a hearing before the designee of the governing body and an appeal of that decision. The ordinance must specify whether all such appeals are to be made to the governing body or to a court of competent jurisdiction.
- (b) Provide that the date specified in the notice by which the owner must abate the condition is tolled for the period during which the owner requests a hearing and receives a decision.
- (c) Provide the manner in which the city will recover money expended for labor and materials used to abate the condition on the property if the owner fails to abate the condition.
- (d) Provide for civil penalties for each day that the owner did not abate the condition after the date specified in the notice by which the owner was requested to abate the condition.
- (e) If the county board of health, city board of health or district board of health in whose jurisdiction the incorporated city is located has adopted a definition of garbage, use the definition of garbage adopted by the county board of health, city board of health or district board of health, as applicable.
- 3. [An] In any county whose population is 700,000 or more, an ordinance adopted pursuant to subsection 1 may authorize the city to request the operator of a tow car to abate a condition by towing abandoned,

inoperable [, unregistered] or junk vehicles described in paragraph (c) of subsection 1 if the governing body or its designee has directed the abatement of the condition pursuant to subsection 4. The operator of a tow car requested to tow a vehicle by a city pursuant to this section must comply with the provisions of NRS 706.445 to 706.453, inclusive.

- **4.** The governing body or its designee may direct the city to abate the condition on the property and may recover the amount expended by the city for labor and materials used to abate the condition if:
- (a) The owner has not requested a hearing within the time prescribed in the ordinance adopted pursuant to subsection 1 and has failed to abate the condition on the property within the period specified in the notice;
- (b) After a hearing in which the owner did not prevail, the owner has not filed an appeal within the time prescribed in the ordinance adopted pursuant to subsection 1 and has failed to abate the condition within the period specified in the order; or
- (c) The governing body or a court of competent jurisdiction has denied the appeal of the owner and the owner has failed to abate the condition within the period specified in the order.
- [4.] 5. In addition to any other reasonable means for recovering money expended by the city to abate the condition and, except as otherwise provided in subsection [5.] 6 for collecting civil penalties imposed pursuant to the ordinance adopted pursuant to subsection 1, the governing body may make the expense and civil penalties a special assessment against the property upon which the condition is or was located. The special assessment may be collected at the same time and in the same manner as ordinary county taxes are collected, and is subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary county taxes. All laws applicable to the levy, collection and enforcement of county taxes are applicable to such a special assessment.
- [5.] 6. Any civil penalties that have not been collected from the owner of the property may not be made a special assessment against the property pursuant to subsection [4] 5 by the governing body unless:
- (a) At least 12 months have elapsed after the date specified in the notice by which the owner must abate the condition or the date specified in the order of the governing body or court by which the owner must abate the condition, whichever is later;
- (b) The owner has been billed, served or otherwise notified that the civil penalties are due; and
  - (c) The amount of the uncollected civil penalties is more than \$5,000.
- [6.] 7. As used in this section, "dangerous structure or condition" means a structure or condition that may cause injury to or endanger the health, life, property, safety or welfare of the general public or the occupants, if any, of

the real property on which the structure or condition is located. The term includes, without limitation, a structure or condition that:

- (a) Does not meet the requirements of a code or regulation adopted pursuant to NRS 268.413 with respect to minimum levels of health, maintenance or safety; or
- (b) Violates an ordinance, rule or regulation regulating health and safety enacted, adopted or passed by the governing body of a city, the violation of which is designated as a nuisance in the ordinance, rule or regulation.
  - **Sec. 4.** NRS 706.4477 is hereby amended to read as follows:
- 706.4477 1. If towing is requested by a person other than the owner, or an agent of the owner, of the motor vehicle or a law enforcement officer:
- (a) The person requesting the towing must be the owner of the real property from which the vehicle is towed or an authorized agent of the owner of the real property and must sign a specific request for the towing. For the purposes of this section, the operator is not an authorized agent of the owner of the real property.
- (b) The area from which the vehicle is to be towed must be appropriately posted in accordance with state or local requirements.
- (c) Notice must be given to the appropriate law enforcement agency pursuant to state and local requirements.
- (d) The operator may be directed to terminate the towing by a law enforcement officer.
- 2. If towing is requested by a county or city pursuant to NRS 244.3605 or 268.4122, as applicable:
- (a) Notice must be given to the appropriate law enforcement agency pursuant to state and local requirements.
- (b) The operator may be directed to terminate the towing by a law enforcement officer.
- 3. The registered owner of a motor vehicle towed pursuant to the provisions of subsection  $1 \stackrel{\text{(i)}}{\leftarrow} or 2$ :
- (a) Is presumed to have left the motor vehicle on the real property from which the vehicle is towed: and
- (b)  $\underline{\underline{Is}}$  *[Except as otherwise provided in subsection 5, is]* responsible for the cost of removal and storage of the motor vehicle.
- [3.] 4. The registered owner may rebut the presumption in subsection [2] 3 by showing that:
- (a) The registered owner transferred the registered owner's interest in the motor vehicle:
- (1) Pursuant to the provisions set forth in NRS 482.399 to 482.420, inclusive; or
- (2) As indicated by a bill of sale for the vehicle that is signed by the registered owner; or

- (b) The vehicle is stolen, if the registered owner submits evidence that, before the discovery of the vehicle, the registered owner filed an affidavit with the Department or a written report with an appropriate law enforcement agency alleging the theft of the vehicle.
- [ 5. For a vehicle towed pursuant to subsection 2, if every registered owner rebuts the presumption in subsection 3 pursuant to paragraph (b) of subsection 4, the owner of the real property from which the vehicle was towed is responsible for the cost of removal and storage of the vehicle.]
  - Sec. 5. [NRS 706.4479 is hereby amended to read as follows:
- -706.4479 1. If a motor vehicle is towed at the request of someone other than the owner, or authorized agent of the owner, of the motor vehicle, the operator of the tow car shall, in addition to the requirements set forth in the provisions of chapter 108 of NRS:
- (a) Notify the registered and legal owner of the motor vehicle by certified mail not later than 21 days after placing the motor vehicle in storage if the motor vehicle was towed at the request of a law enforcement officer following an accident involving the motor vehicle or not later than 15 days after placing any other vehicle in storage:
- (1) Of the location where the motor vehicle is being stored;
- (2) Whether the storage is inside a locked building, in a secured, fenced area or in an unsecured, open area;
- (3) Of the charge for towing and storage:
- (4) Of the date and time the vehicle was placed in storage:
- (5) Of the actions that the registered and legal owner of the vehicle may take to recover the vehicle while incurring the lowest possible liability in accrued assessments, fees, penalties or other charges; and
- (6) Of the opportunity to rebut the presumptions set forth in NRS 487,220 and 706,4477.
- (b) If the identity of the registered and legal owner is not known or readily available, make every reasonable attempt and use all resources reasonably necessary, as evidenced by written documentation, to obtain the identity of the owner and any other necessary information from the agency charged with the registration of the motor vehicle in this State or any other state within:
- (1) Twenty one days after placing the motor vehicle in storage if the motor vehicle was towed at the request of a law enforcement officer following an accident involving the motor vehicle; or
- (2) Fifteen days after placing any other motor vehicle in storage.
- The operator shall attempt to notify the owner of the vehicle by certified mail as soon as possible, but in no case later than 15 days after identification of the owner is obtained for any motor vehicle.
- -(e) If the owner of the property from which the vehicle was towed is responsible for the cost of removal and storage of the vehicle pursuant to

subsection 5 of NRS 706.4477, the operator shall notify the owner of the property by certified mail not later than 15 days after placing the vehicle in storage:

- (1) Of the date and time the vehicle was placed in storage;
- (2) Of the location where the vehicle is being stored;
- (3) Of the charges for towing and storage; and
- (4) Of the actions that the owner of the property may take to incur the lowest possible liability in accrued assessments, fees, penalties or other charges.
- 2. If an operator includes in the operator's tariff a fee to be charged to the registered and legal owner of a vehicle for the towing and storage of the vehicle, the fee may not be charged:
- (a) For more than 21 days after placing the motor vehicle in storage if the motor vehicle was towed at the request of a law enforcement officer following an accident involving the motor vehicle; or
- (b) For more than 15 days after placing any other vehicle in storage,
- 3. If a motor vehicle that is placed in storage was towed at the request of a law enforcement officer following an accident involving the motor vehicle, the operator shall not:
- (a) Satisfy any lien or impose any administrative fee or processing fee with respect to the motor vehicle for the period ending 4 business days after the date on which the motor vehicle was placed in storage; or
- (b) Impose any fee relating to the auction of the motor vehicle until after the operator complies with the notice requirements set forth in NRS 108.265 to 108.367, inclusive.] (Deleted by amendment.)

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 391.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 478.

AN ACT relating to energy; [revising provisions relating to wages paid to certain employees by persons who intend to locate certain renewable energy facilities in this State and who apply to the Director of the Office of Energy for a partial abatement of certain taxes;] providing that the amount of certain incentives issued by a utility for the installation of certain renewable energy

systems on property owned or occupied by a public body may not be used to reduce the cost of the project so as to exempt the project from provisions governing competitive bidding for public works projects; requiring contractors who enter into contracts pursuant to the Green Jobs Initiative to make certain certifications to the Labor Commissioner concerning wages paid to employees who work on such projects; providing that certain utilities which are generally subject only to limited jurisdiction, control and regulation of the Public Utilities Commission of Nevada become subject to the full jurisdiction, control and regulation of the Commission under certain circumstances; and providing other matters properly relating thereto.

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

Under existing law, a person who intends to locate certain facilities for the generation or transmission of electricity from renewable energy may apply to the Director of the Office of Energy for a partial abatement of certain taxes. An applicant for such an abatement must meet several requirements, including requirements concerning the wages which must be paid to the employees of the facility and the employees working on the construction of the facility. (NRS 701A.300-701A.390) Section 1 of this bill defines "wage" for this purpose to include the hourly rate of pay and the amount of benefits paid to an employee in a manner consistent with provisions of existing law governing public works projects. Section 4 of this bill revises provisions relating to the wages paid to employees working on the construction of such a facility to provide that contributions to a third person pursuant to a fund, plan or program in the name of an employee may satisfy a portion of the requirement that employees be paid a certain percentage of the prevailing wage.]

**Sections 9 and 10** of this bill revise provisions relating to the installation of certain renewable energy systems on property owned or occupied by a public body to provide that the amount of any incentive issued by a utility for the installation of the renewable energy system may not be used to reduce the cost of the project so as to exempt the project from provisions governing competitive bidding for public works projects.

**Section 11** of this bill requires any contractor or subcontractor who enters into a contract pursuant to the Green Jobs Initiative to provide written certification to the Labor Commissioner that the employees of the contractor or subcontractor who perform work under the contract are paid the prevailing wage required by the Initiative. (NRS 701B.900-701B.924)

Existing law provides that certain entities which are declared to be utilities but which provide services only to their members are subject only to limited jurisdiction, control and regulation of the Public Utilities Commission of Nevada. (NRS 704.675) **Section 12** of this bill provides that such a utility is subject to the full jurisdiction, control and regulation of the Commission if

the Commission determines that the utility [has exceeded the scope of the services which the utility is authorized to provide pursuant to the] or any entity that is owned or controlled by the utility: (1) is being operated without a certificate of public convenience and necessity issued to the utility by the Commission [-]; (2) is supplying services to persons other than its own members; (3) is offering services outside the geographic area for which it holds a certificate of public convenience and necessity; (4) qualifies as a public utility or utility under applicable law outside the geographic area for which it holds a certificate of public convenience and necessity; or (5) has otherwise violated certain provisions of law relating to utilities.

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

Section 1. [Chapter 701A of NRS is hereby amended by adding thereto a new section to read as follows:

- "Wage" means:
- 1. The basic hourly rate of pay; and
- 2. The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training or other similar programs or other bona fide fringe benefits which are a benefit to the employee.] (Deleted by amendment.)
- Sec. 2. [NRS 701A.300 is hereby amended to read as follows:
- 701A.300 As used in NRS 701A.300 to 701A.390, inclusive, and section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 701A.305 to 701A.345, inclusive, and section 1 of this act have the meanings ascribed to them in those sections.] (Deleted by amendment.)
- Sec. 3. [NRS 701A.360 is hereby amended to read as follows:
- 701A.360 1. A person who intends to locate a facility for the generation of process heat from solar renewable energy, a wholesale facility for the generation of electricity from renewable energy, a facility for the generation of electricity from geothermal resources or a facility for the transmission of electricity produced from renewable energy or geothermal resources in this State may apply to the Director for a partial abatement of the local sales and use taxes, the taxes imposed pursuant to chapter 361 of NRS, or both local sales and use taxes and taxes imposed pursuant to chapter 361 of NRS.
- 2. A facility that is owned, operated, leased or otherwise controlled by a governmental entity is not eligible for an abatement pursuant to NRS 701A.300 to 701A.390, inclusive [.], and section 1 of this act.

- -3. As soon as practicable after the Director receives an application for a partial abatement, the Director shall forward a copy of the application to:
- (a) The Chief of the Budget Division of the Department of Administration:
- —(b) The Department of Taxation;
- (c) The board of county commissioners;
- (d) The county assessor;
- -(e) The county treasurer; and
- (f) The Office of Economic Development.
- 4. With the copy of the application forwarded to the county treasurer, the Director shall include a notice that the local jurisdiction may request a presentation regarding the facility. A request for a presentation must be made within 30 days after receipt of the application.
- 5. The Director shall hold a public hearing on the application. The hearing must not be held earlier than 30 days after all persons listed in subsection 3 have received a copy of the application.] (Deleted by amendment.)
  - Sec. 4. INRS 701A.365 is hereby amended to read as follows:
- 701A.365 1. Except as otherwise provided in subsection 2, the Director, in consultation with the Office of Economic Development, shall approve an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, and section 1 of this act if the Director, in consultation with the Office of Economic Development, makes the following determinations:
- (a) The applicant has executed an agreement with the Director which must:
- (1) State that the facility will, after the date on which a certificate of eligibility for the abatement is issued pursuant to NRS 701A.370, continue in operation in this State for a period specified by the Director, which must be at least 10 years, and will continue to meet the eligibility requirements for the elastement; and
- (2) Bind the successors in interest in the facility for the specified period.

  (b) The facility is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and all other permits required by the county, city or town in which the facility operates.
- (e) No funding is or will be provided by any governmental entity in this State for the acquisition, design or construction of the facility or for the acquisition of any land therefor, except any private activity bonds as defined in 26 U.S.C. § 141.
- —(d) If the facility will be located in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the facility meets the following requirements:

- (1) There will be 75 or more full time employees working on the construction of the facility during the second quarter of construction, including, unless waived by the Director for good cause, at least 30 percent who are residents of Nevada:
- (2) Establishing the facility will require the facility to make a capital investment of at least \$10,000,000 in this State;
- (3) The average hourly wage that will be paid by the facility to its employees in this State is at least 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and
- (4) The average hourly wage of the employees working on the construction of the facility will be at least 150 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year, and I:
- (I) The] the employees working on the construction of the facility [must] will be provided a health insurance plan that includes an option for health insurance coverage for dependents of the employees. [; and
- (II) The cost of the benefits provided to the employees working on the construction of the facility will meet the minimum requirements for benefits established by the Director by regulation pursuant to NRS 701A.390.1
- (e) If the facility will be located in a county whose population is less than 100,000 or a city whose population is less than 60,000, the facility meets the following requirements:
- (1) There will be 50 or more full time employees working on the construction of the facility during the second quarter of construction, including, unless waived by the Director for good cause, at least 30 percent who are residents of Nevada:
- (2) Establishing the facility will require the facility to make a capital investment of at least \$3,000,000 in this State:
- (3) The average hourly wage that will be paid by the facility to its employees in this State is at least 110 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and
- (4) The average hourly wage of the employees working on the construction of the facility will be at least 150 percent of the average statewide hourly wage, excluding management and administrative employees, as established by the Employment Security Division of the

Department of Employment, Training and Rehabilitation on July 1 of each fiscal year, and I:

- (I) The] the employees working on the construction of the facility [must] will be provided a health insurance plan that includes an option for health insurance coverage for dependents of the employees. [; and
- (II) The cost of the benefits provided to the employees working on the construction of the facility will meet the minimum requirements for benefits established by the Director by regulation pursuant to NRS 701A.390.1
- (f) The financial benefits that will result to this State from the employment by the facility of the residents of this State and from capital investments by the facility in this State will exceed the loss of tax revenue that will result from the abatement.
- (g) The facility is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of NRS 231.053.
- 2. The Director shall not approve an application for a partial abatement of the taxes imposed pursuant to chapter 361 of NRS submitted pursuant to NRS 701A.360 by a facility for the generation of electricity from geothermal resources unless the application is approved pursuant to this subsection. The board of county commissioners of a county must approve or deny the application not later than 30 days after the board receives a copy of the application. The board of county commissioners must not condition the approval of the application on a requirement that the facility for the generation of electricity from geothermal resources agree to purchase, lease or otherwise acquire in its own name or on behalf of the county any infrastructure, equipment, facilities or other property in the county that is not directly related to or otherwise necessary for the construction and operation of the facility. If the board of county commissioners does not approve or deny the application within 30 days after the board receives the application, the application shall be deemed denied.
- 3. Notwithstanding the provisions of subsection 1, the Director, in consultation with the Office of Economic Development, may, if the Director, in consultation with the Office, determines that such action is necessary:
- (a) Approve an application for a partial abatement for a facility that does not meet the requirements set forth in paragraph (d) or (e) of subsection 1; or
   (b) Add additional requirements that a facility must meet to qualify for a partial abatement.
- 4. The obligation of an applicant to pay to the employees working on the construction of the facility the wage required by subparagraph (4) of paragraph (6) of subsection 1 or subparagraph (4) of paragraph (c) of subsection 1 may be discharged in part by making contributions to a third

person pursuant to a fund, plan or program in the name of the employee in the manner provided in NRS 338.035.

- 5. The Director shall cooperate with the Office of Economic Development in carrying out the provisions of this section.
- [5.] 6. The Director shall submit to the Office of Economic Development an annual report, at such a time and containing such information as the Office may require, regarding the partial abatements granted pursuant to this section.] (Deleted by amendment.)
- Sec. 5. [NRS 701A.370 is hereby amended to read as follows:
- 701A.370 1. If the Director approves an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, and section 1 of this act of:
- (a) Property taxes imposed pursuant to chapter 361 of NRS, the partial
- (1) Be for a duration of the 20 fiscal years immediately following the date of approval of the application;
- (2) Be equal to 55 percent of the taxes on real and personal property payable by the facility each year; and
- (3) Not apply during any period in which the facility is receiving another abatement or exemption from property taxes imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722.
- (b) Local sales and use taxes:
- (1) The partial abatement must:
- (I) Be for the 3 years beginning on the date of approval of the application;
- (II) Be equal to that portion of the combined rate of all the local sales and use taxes payable by the facility each year which exceeds 0.25 percent; and
- (III) Not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes.
- (2) The Department of Taxation shall issue to the facility a document certifying the abatement which can be presented to retailers at the time of sale. The document must clearly state that the purchaser is only required to pay sales and use taxes imposed in this State at the rate of 2.25 percent.
- 2. Upon approving an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, *and section 1 of this act*, the Director shall immediately forward a certificate of eligibility for the abatement to:
- —(a) The Department of Taxation;
- (b) The board of county commissioners;
- -(c) The county assessor:
- -(d) The county treasurer; and

- (e) The Office of Economic Development.] (Deleted by amendment.)
- Sec. 6. INRS 701A.380 is hereby amended to read as follows:
- 701A.380 1. A partial abatement approved by the Director pursuant to NRS 701A.300 to 701A.390, inclusive, and section 1 of this act terminates upon any determination by the Director that the facility has ceased to meet any eligibility requirements for the abatement.
- —2. The Director shall provide notice and a reasonable opportunity to cure any noncompliance issues before making a determination that the facility has ceased to meet those requirements.
- 3. The Director shall immediately provide notice of each determination of termination to:
- (a) The Department of Taxation, which shall immediately notify each affected local government of the determination:
- (b) The board of county commissioners;
- (c) The county assessor:
- (d) The county treasurer; and
- (e) The Office of Economic Development.
- 4. A facility whose partial abatement is terminated pursuant to this section shall repay to:
- (a) The county treasurer the amount of the exemption from property taxes imposed pursuant to chapter 361 of NRS; and
- (b) The Department of Taxation the amount of the exemption from local sales and use taxes
- that was allowed pursuant to this section before the date of that termination. Except as otherwise provided in NRS 360.232 and 360.320, the facility shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.] (Deleted by amendment.)
  - Sec. 7. INRS 701A.385 is hereby amended to read as follows:
- 701A.385 Notwithstanding any statutory provision to the contrary, if the Director approves an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, and section 1 of this act of:
- 1. Property taxes imposed pursuant to chapter 361 of NRS, the amount of all the property taxes which are collected from the facility for the period of the abatement must be allocated and distributed in such a manner that:
- (a) Forty-five percent of that amount is deposited in the Renewable Energy Fund created by NRS 701A.450; and
- (b) Fifty-five percent of that amount is distributed to the local governmental entities that would otherwise be entitled to receive those taxes

in proportion to the relative amount of those taxes those entities would otherwise be entitled to receive

- 2. Local sales and use taxes, the State Controller shall allocate, transfer and remit an amount equal to all the sales and use taxes imposed in this State and collected from the facility for the period of the abatement in the same manner as if that amount consisted solely of the proceeds of taxes imposed by NRS 374.110 and 374.190.] (Deleted by amendment.)
- Sec. 8. [NRS 701A.390 is hereby amended to read as follows:
- -701A.390 The Director:
- 1. Shall adopt regulations:
- (a) [Prescribing the minimum level of benefits that a facility must provide to its employees if the facility is going to use benefits paid to employees as a basis to qualify for a partial abatement pursuant to NRS 701A.300 to 701A.390 inclusive:
- (b)] Prescribing such requirements for an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, and section I of this act as will ensure that all information and other documentation necessary for the Director, in consultation with the Office of Economic Development, to make an appropriate determination is filed with the Director:
- [(e)] (b) Requiring each recipient of a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, and section 1 of this act to file annually with the Director such information and documentation as may be necessary for the Director to determine whether the recipient is in compliance with any eligibility requirements for the abatement; and
- [(d)] (e) Regarding the capital investment that a facility must make to meet the requirement set forth in paragraph (d) or (e) of subsection 1 of NRS 701A.365; and
- 2. May adopt such other regulations as the Director determines to be necessary to carry out the provisions of NRS 701A.300 to 701A.390, inclusive [.], and section 1 of this act.] (Deleted by amendment.)
  - **Sec. 9.** NRS 701B.265 is hereby amended to read as follows:
- 701B.265 1. The installation of a solar energy system on property owned or occupied by a public body pursuant to NRS 701B.010 to 701B.290, inclusive, shall be deemed to be a public work for the purposes of chapters 338 and 341 of NRS, regardless of whether the installation of the solar energy system is financed in whole or in part by public money.
- 2. The amount of any incentive issued by a utility relating to the installation of a solar energy system on property owned or occupied by a public body may not be used to reduce the cost of the project to an amount which would exempt the project from [the] any requirements of chapter 338 of NRS. [338.020 to 338.090, inclusive.]

- 3. As used in this section, "public body" means the State or a county, city, town, school district or any public agency of this State or its political subdivisions.
  - **Sec. 10.** NRS 701B.625 is hereby amended to read as follows:
- 701B.625 1. The installation of a wind energy system on property owned or occupied by a public body pursuant to NRS 701B.400 to 701B.650, inclusive, shall be deemed to be a public work for the purposes of chapters 338 and 341 of NRS, regardless of whether the installation of the wind energy system is financed in whole or in part by public money.
- 2. The amount of any incentive issued by a utility relating to the installation of a wind energy system on property owned or occupied by a public body may not be used to reduce the cost of the project to an amount which would exempt the project from [the] any requirements of chapter 338 of NRS. [338.020 to 338.090, inclusive.]
- 3. As used in this section, "public body" means the State or a county, city, town, school district or any public agency of this State or its political subdivisions.
  - **Sec. 11.** NRS 701B.924 is hereby amended to read as follows:
- 701B.924 1. The State Public Works Board shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:
  - (a) The length of time necessary to commence the project.
  - (b) The number of workers estimated to be employed on the project.
  - (c) The effectiveness of the project in reducing energy consumption.
  - (d) The estimated cost of the project.
- (e) Whether the project is able to be powered by or to otherwise use sources of renewable energy.
- (f) Whether the project has qualified for participation in one or more of the following programs:
- (1) The Solar Energy Systems Incentive Program created by NRS 701B.240:
- (2) The Renewable Energy School Pilot Program created by NRS 701B.350;
- (3) The Wind Energy Systems Demonstration Program created by NRS 701B.580:
- (4) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or

- (5) An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.
- 2. The board of trustees of each school district shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:
  - (a) The length of time necessary to commence the project.
  - (b) The number of workers estimated to be employed on the project.
  - (c) The effectiveness of the project in reducing energy consumption.
  - (d) The estimated cost of the project.
- (e) Whether the project is able to be powered by or to otherwise use sources of renewable energy.
- (f) Whether the project has qualified for participation in one or more of the following programs:
- (1) The Solar Energy Systems Incentive Program created by NRS 701B.240:
- (2) The Renewable Energy School Pilot Program created by NRS 701B.350;
- (3) The Wind Energy Systems Demonstration Program created by NRS 701B.580;
- (4) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or
- (5) An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.
- 3. The Board of Regents of the University of Nevada shall, within 90 days after June 9, 2009, determine the specific projects to weatherize and retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures pursuant to the provisions of this section and NRS 701B.921. The projects must be prioritized and selected on the basis of the following criteria:
  - (a) The length of time necessary to commence the project.
  - (b) The number of workers estimated to be employed on the project.
  - (c) The effectiveness of the project in reducing energy consumption.
  - (d) The estimated cost of the project.
- (e) Whether the project is able to be powered by or to otherwise use sources of renewable energy.

- (f) Whether the project has qualified for participation in one or more of the following programs:
- (1) The Solar Energy Systems Incentive Program created by NRS 701B.240;
- (2) The Renewable Energy School Pilot Program created by NRS 701B.350;
- (3) The Wind Energy Systems Demonstration Program created by NRS 701B.580:
- (4) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820; or
- (5) An energy efficiency or energy conservation program offered by a public utility, as defined in NRS 704.020, pursuant to a plan approved by the Public Utilities Commission of Nevada pursuant to NRS 704.741.
- 4. As soon as practicable after an entity described in subsections 1, 2 and 3 selects a project, the entity shall proceed to enter into a contract with one or more contractors to perform the work on the project. The request for proposals and all contracts for each project must include, without limitation:
- (a) Provisions stipulating that all employees of the contractors and subcontractors who work on the project must be paid prevailing wages pursuant to the requirements of chapter 338 of NRS [;] and requiring that each contractor and subcontractor certify to the Labor Commissioner in writing that all employees of the contractor or subcontractor who work on the project are paid prevailing wages as required by this paragraph;
- (b) Provisions requiring that each contractor and subcontractor employed on each such project:
- (1) Employ a number of persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 that is equal to or greater than 50 percent of the total workforce the contractor or subcontractor employs on the project; or
- (2) If the Director of the Department determines in writing, pursuant to a request submitted by the contractor or subcontractor, that the contractor or subcontractor cannot reasonably comply with the provisions of subparagraph (1) because there are not available a sufficient number of such trained persons, employ a number of persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 or trained through any apprenticeship program that is registered and approved by the State Apprenticeship Council pursuant to chapter 610 of NRS that is equal to or greater than 50 percent of the total workforce the contractor or subcontractor employs on the project;
- (c) A component pursuant to which persons trained as described in paragraph (b) of subsection 3 of NRS 701B.921 must be classified and paid prevailing wages depending upon the classification of the skill in which they are trained; and

- (d) A component that requires each contractor or subcontractor to offer to employees working on the project, and to their dependents, health care in the same manner as a policy of insurance pursuant to chapters 689A and 689B of NRS or the Employee Retirement Income Security Act of 1974.
- 5. The State Public Works Board, each of the school districts and the Board of Regents of the University of Nevada shall each provide a report to the Interim Finance Committee which describes the projects selected pursuant to this section and a report of the dates on which those projects are scheduled to be completed.

**Sec. 12.** NRS 704.675 is hereby amended to read as follows:

704.675 [Every]

- 1. Except as otherwise provided in subsection 2, every cooperative association or nonprofit corporation or association and every other supplier of services described in this chapter supplying those services for the use of its own members only is hereby declared to be affected with a public interest, to be a public utility, and to be subject to the jurisdiction, control and regulation of the Commission for the purposes of NRS 703.191, 704.330, 704.350 to 704.410, inclusive, but not to any other jurisdiction, control and regulation of the Commission or to the provisions of any section not specifically mentioned in this [section.] subsection.
- 2. The limitations set forth in subsection 1 governing the applicability of this chapter and the jurisdiction, control and regulation of the Commission do not apply to a cooperative association, nonprofit corporation or association or any other supplier of services described in this chapter that supplies those services for the use of its own members if the Commission determines that the cooperative association, nonprofit corporation or association or [any] other supplier of services [is] described in this chapter, or any entity that is owned or controlled by the cooperative association, nonprofit corporation or association or other supplier of services:
- <u>(a) Is</u> being operated without a certificate of public convenience and necessity as required by NRS 704.330;
- (b) Is supplying those services to persons other than its own members;
- (c) Is offering those services outside the geographic area for which it holds a certificate of public convenience and necessity issued by the Commission;
- (d) Qualifies as a public utility or utility under NRS 704.020 outside the geographic area for which it holds a certificate of public convenience and necessity issued by the Commission; or [has]
  - (e) Has otherwise violated any provision of [that section.] NRS 704.330.
  - **Sec. 13.** 1. This act becomes effective on October 1, 2013.
  - 2. Section 1 of this act expires by limitation on June 30, 2049.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 417.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 446.

AN ACT relating to redevelopment; requiring the legislative body of each community in which a redevelopment area has been established to create a revolving loan account administered by the redevelopment agency; authorizing a redevelopment agency to use money in a revolving loan account to make loans at or below market rate to new or existing small businesses in the redevelopment area; setting forth certain requirements relating to loans made from a revolving loan fund; requiring a redevelopment agency to adopt certain regulations and prepare certain reports relating to loans of money from a revolving loan account; authorizing a redevelopment agency to adopt an ordinance providing for the recalculation of the amount of the total assessed value of property in a redevelopment area under certain circumstances; providing for the set aside and use of certain revenues from taxes imposed on property in such a redevelopment area; and providing other matters properly relating thereto.

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

The Community Redevelopment Law (NRS 279.382-279.685) authorizes the city council, board of county commissioners or other legislative body of a city or county to declare the need for a redevelopment agency to function in the community. The Community Redevelopment Law grants a redevelopment agency certain powers and duties with regard to the elimination of blight in a redevelopment area in the community.

**Sections 2-6** of this bill require the legislative body of a community to create a revolving loan account administered by the redevelopment agency. Money in the revolving loan account may be used by the agency only to make loans at or below market rate to new or existing small businesses in the redevelopment area. **Section 2** defines a "small business" as a business that employs not more than 25 persons. **Section 4** sets forth certain requirements for the making of loans from the revolving loan account and provides that the term of a loan of money from the revolving loan account must be [3] 5 years or less. **Section 5** requires each redevelopment agency to adopt regulations prescribing: (1) the [annual deadline for submission of] process by which a

**small business may submit** an application for a loan from the revolving loan account; (2) the criteria for eligibility for a loan; (3) the contents of an application for a loan; (4) the maximum amount of a loan which may be made from the revolving loan account; [and] (5) the rate of interest for loans made from the revolving loan account []; and (6) the collateral and security interest a small business is required to provide as security for the loan. Section 6 requires each redevelopment agency to make certain annual reports to the Legislature concerning loans of money from the revolving loan account.

Existing law provides that if a redevelopment agency provides property for development at less than the fair market value of the property or provides financial incentives to a developer with a value of more than \$100,000, the agency must provide in the agreement with the developer that the project is subject to certain provisions of existing law governing public works. (NRS 279.500) Section 13.3 of this bill extends the same requirements to any loan made by an agency to a small business pursuant to sections 2-6.

Section 13.5 of this bill authorizes a redevelopment agency in a city located in a county whose population is 700,000 or more (currently Clark County) to adopt, under certain circumstances, an ordinance which provides for the recalculation of the amount of the total assessed value of the taxable property in a redevelopment area for certain purposes. Section 13.5 provides that such a redevelopment agency may adopt such an ordinance only once and that the election to adopt such an ordinance is irrevocable. If such a redevelopment agency adopts such an ordinance and receives certain revenue from taxes, section 13.5 requires that 18 percent of such revenues received on or after the effective date of the ordinance be set aside to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. Section 13.5 also provides that the obligation of a redevelopment agency to set aside 18 percent of such revenues is subordinate to any existing obligations of the agency.

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

- **Section 1.** Chapter 279 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.
- Sec. 2. As used in sections 2 to 6, inclusive, of this act, "small business" means a business that employs not more than 25 persons.

- Sec. 3. 1. Each legislative body shall create a revolving loan account in the treasury of the community. The account must be administered by the agency.
- 2. The money in a revolving loan account created pursuant to this section must be invested as money in other accounts in the treasury of the community is invested. All interest and income earned on the money in a revolving loan account must be credited to the account. Any money remaining in a revolving loan account at the end of a fiscal year does not revert to the general fund of the community, and the balance in the account must be carried forward.
- 3. All payments of principal and interest on loans made to a small business from a revolving loan account must be deposited with the treasurer of the community for credit to the account.
- 4. Claims against a revolving loan account must be paid as other claims against the agency are paid.
- 5. An agency may accept gifts, grants, bequests and donations from any source for deposit in the revolving loan account.
- Sec. 4. 1. After deducting the costs directly related to administering a revolving loan account created pursuant to section 3 of this act, an agency may use the money in the account, including repayments of principal and interest on loans made from the account, and interest and income earned on money in the account, only to make loans at or below market rate to small businesses located within the redevelopment area or persons wishing to locate or relocate a new small business in the redevelopment area for the costs incurred:
- (a) In expanding or improving an existing small business, including, without limitation, costs incurred for remodeling; or
  - (b) In locating or relocating a small business in the redevelopment area.
- 2. The term of any loan that may be made from the revolving loan account must be [3] 5 years or less.
- Sec. 5. 1. A small business located in a redevelopment area or a person who wishes to locate or relocate a new small business in a redevelopment area may submit an application to the agency for a loan from the revolving loan account created pursuant to section 3 of this act. An application must include a written description of the manner in which the loan will be used.
- 2. An agency shall, within the limits of money available for use in the revolving loan account, make loans to small businesses and persons whose applications have been approved. If an agency makes a loan from the revolving loan account, the agency shall ensure that the contract for the loan includes all terms and conditions for repayment of the loan.
  - 3. Each agency:

- (a) Shall adopt regulations that prescribe:
- (1) The [annual deadline for submission] process by which a small business may submit to the agency [of] an application for a loan from the revolving loan account;
- (2) The criteria for eligibility for a loan from the revolving loan account;
- (3) The contents of an application for a loan from the revolving loan account, which must include, without limitation:
  - (I) A description of the business history of the applicant;
  - (II) A description of the income history of the applicant;
  - (III) A copy of the business plan of the applicant;
- (IV) A description of the contributions of the applicant to the revitalization of the redevelopment area; and
- (V) A statement of whether any money from the loan will be used by the applicant to maintain or create any jobs;
- (4) The maximum amount of a loan which may be made from the revolving loan account; <del>[and]</del>
- (5) The rate of interest for loans made from the revolving loan account

#### $\{\cdot,\cdot\}$ ; and

- (6) The collateral and security interest that a small business is required to provide as security for the loan, which must be an amount sufficient to allow the agency to recoup the amount of the loan made to a small business if the small business defaults on the loan.
- (b) May adopt such other regulations as it deems necessary to carry out the provisions of sections 2 to 6, inclusive, of this act.
- Sec. 6. For each fiscal year beginning with Fiscal Year 2013-2014 and ending with Fiscal Year 2016-2017, each agency in this State shall prepare a written report of the loans made from the revolving loan account created pursuant to section 3 of this act, which must include, without limitation, information concerning the amount of each loan made from the revolving loan account, the terms of each loan and a description of the small businesses which have received loans from the account. The agency shall, on or before November 30 of each year, submit a copy of the report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, or if the Legislature is not in session, to the Legislative Commission.
  - **Sec. 7.** NRS 279.382 is hereby amended to read as follows:
- 279.382 The provisions contained in NRS 279.382 to 279.685, inclusive, *and sections 2 to 6, inclusive, of this act* may be cited as the Community Redevelopment Law.

- **Sec. 8.** NRS 279.384 is hereby amended to read as follows:
- 279.384 As used in NRS 279.382 to 279.685, inclusive, *and sections 2 to 6, inclusive, of this act*, unless the context otherwise requires, the words and terms defined in NRS 279.386 to 279.414, inclusive, have the meanings ascribed to them in those sections.
  - **Sec. 9.** NRS 279.386 is hereby amended to read as follows:
- 279.386 "Agency" means a redevelopment agency created under NRS 279.382 to 279.685, inclusive, and sections 2 to 6, inclusive, of this act or a legislative body which has elected to exercise the powers granted to an agency under NRS 279.382 to 279.685, inclusive [.], and sections 2 to 6, inclusive, of this act.
  - **Sec. 10.** NRS 279.410 is hereby amended to read as follows:
- 279.410 "Redevelopment area" means an area of a community whose redevelopment is necessary to effectuate the public purposes declared in NRS 279.382 to 279.685, inclusive [...], and sections 2 to 6, inclusive, of this act.
  - **Sec. 11.** NRS 279.428 is hereby amended to read as follows:
- 279.428 An agency shall not transact any business or exercise any powers under NRS 279.382 to 279.685, inclusive, *and sections 2 to 6*, *inclusive, of this act* unless, by resolution, the legislative body declares that there is need for an agency to function in the community.
  - **Sec. 12.** NRS 279.444 is hereby amended to read as follows:
- 279.444 1. As an alternative to the appointment of five members of the agency pursuant to NRS 279.440 and as an alternative to the procedures set forth in NRS 279.443, the legislative body may, at the time of the adoption of a resolution pursuant to NRS 279.428, or at any time thereafter, declare itself to be the agency, in which case, all the rights, powers, duties, privileges and immunities vested by NRS 279.382 to 279.685, inclusive, *and sections 2 to 6, inclusive, of this act* in an agency are vested in the legislative body of the community. If the legislative body of a city declares itself to be the agency pursuant to this subsection, it may include the mayor of the city as part of the agency regardless of whether the mayor is a member of the legislative body.
- 2. A city may enact its own procedural ordinance and exercise the powers granted by NRS 279.382 to 279.685, inclusive [...], and sections 2 to 6, inclusive, of this act.
- 3. An agency may delegate to a community any of the powers or functions of the agency with respect to the planning or undertaking of a redevelopment project in the area in which that community is authorized to act, and that community may carry out or perform those powers or functions for the agency.
  - **Sec. 13.** NRS 279.462 is hereby amended to read as follows:
  - 279.462 An agency may:

- 1. Sue and be sued.
- 2. Have a seal.
- 3. Make and execute contracts and other instruments necessary or convenient to the exercise of its powers.
- 4. Make, amend and repeal bylaws and regulations not inconsistent with, and to carry into effect, the powers and purposes of NRS 279.382 to 279.685, inclusive [...], and sections 2 to 6, inclusive, of this act.
- 5. Obtain, hire, purchase or rent office space, equipment, supplies, insurance and services.
- 6. Authorize and pay the travel expenses of agency members, officers, agents, counsel and employees on agency business.

### Sec. 13.3. NRS 279.500 is hereby amended to read as follows:

- 279.500 1. The provisions of NRS 338.010 to 338.090, inclusive, apply to any contract for new construction, repair or reconstruction which is awarded on or after October 1, 1991, by an agency for work to be done in a project.
  - 2. If an agency [provides]:
- <u>(a) Provides</u> property for development at less than the fair market value of the property  $\frac{1}{1-1}$ ;
- (b) Provides a loan to a small business pursuant to sections 2 to 6, inclusive, of this act; or [provides]
- <u>(c) Provides</u> financial incentives to [the] <u>a</u> developer with a value of more than \$100.000.
- ⇒ regardless of whether the project is publicly or privately owned, the agency must provide in the <u>loan agreement with the small business or the</u> agreement with the developer, as applicable, that the development project is subject to the provisions of NRS 338.010 to 338.090, inclusive, to the same extent as if the agency had awarded the contract for the project. This subsection applies only to the project covered by the <u>loan agreement between the agency and the small business or the</u> agreement between the agency and the developer [-], as applicable. This subsection does not apply to future development of the property unless <u>an additional loan</u>, or additional financial incentives with a value of more than \$100,000, are provided to the small business or developer [-], as applicable.

## Sec. 13.5. NRS 279.676 is hereby amended to read as follows:

- 279.676 1. Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in the redevelopment area each year by or for the benefit of the State, any city, county, district or other public corporation, after the effective date of the ordinance approving the redevelopment plan, must be divided as follows:
- (a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon

the total sum of the assessed value of the taxable property in the redevelopment area as shown upon the assessment roll used in connection with the taxation of the property by the taxing agency, last equalized before the effective date of the ordinance, must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for such taxing agencies on all other property are paid. To allocate taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment area on the effective date of the ordinance but to which the territory has been annexed or otherwise included after the effective date, the assessment roll of the county last equalized on the effective date of the ordinance must be used in determining the assessed valuation of the taxable property in the redevelopment area on the effective date. If property which was shown on the assessment roll used to determine the amount of taxes allocated to the taxing agencies is transferred to the State and becomes exempt from taxation, the assessed valuation of the exempt property as shown on the assessment roll last equalized before the date on which the property was transferred to the State must be subtracted from the assessed valuation used to determine the amount of revenue allocated to the taxing agencies.

- (b) Except as otherwise provided in paragraphs (c) and (d) and NRS 540A.265, that portion of the levied taxes each year in excess of the amount set forth in paragraph (a) must be allocated to and when collected must be paid into a special fund of the redevelopment agency to pay the costs of redevelopment and to pay the principal of and interest on loans, money advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by the redevelopment agency to finance or refinance, in whole or in part, redevelopment. Unless the total assessed valuation of the taxable property in a redevelopment area exceeds the total assessed value of the taxable property in the redevelopment area as shown by [the]:
- (1) The assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan [1]; or
- (2) The assessment roll last equalized before the effective date of an ordinance adopted pursuant to subsection 5,
- whichever occurs later, less the assessed valuation of any exempt property subtracted pursuant to paragraph (a), all of the taxes levied and collected upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies. When the redevelopment plan is terminated pursuant to the provisions of NRS 279.438 and 279.439 and all loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

- (c) That portion of the taxes in excess of the amount set forth in paragraph (a) that is attributable to a tax rate levied by a taxing agency to produce revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness that was approved by the voters of the taxing agency on or after November 5, 1996, must be allocated to and when collected must be paid into the debt service fund of that taxing agency.
- (d) That portion of the taxes in excess of the amount set forth in paragraph (a) that is attributable to a new or increased tax rate levied by a taxing agency and was approved by the voters of the taxing agency on or after November 5, 1996, must be allocated to and when collected must be paid into the appropriate fund of the taxing agency.
- 2. Except as otherwise provided in subsection 3, in any fiscal year, the total revenue paid to a redevelopment agency must not exceed:
- (a) In a county whose population is 100,000 or more or a city whose population is 150,000 or more, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 10 percent of the total assessed valuation of the municipality.
- (b) In a county whose population is 30,000 or more but less than 100,000 or a city whose population is 25,000 or more but less than 150,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 15 percent of the total assessed valuation of the municipality.
- (c) In a county whose population is less than 30,000 or a city whose population is less than 25,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 20 percent of the total assessed valuation of the municipality.
- → If the revenue paid to a redevelopment agency must be limited pursuant to paragraph (a), (b) or (c) and the redevelopment agency has more than one redevelopment area, the redevelopment agency shall determine the allocation to each area. Any revenue which would be allocated to a redevelopment agency but for the provisions of this section must be paid into the funds of the respective taxing agencies.
- 3. The taxing agencies shall continue to pay to a redevelopment agency any amount which was being paid before July 1, 1987, and in anticipation of which the agency became obligated before July 1, 1987, to repay any bond, loan, money advanced or any other indebtedness, whether funded, refunded, assumed or otherwise incurred.
- 4. For the purposes of this section, the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan is the assessment roll in existence on March 15 immediately preceding the effective date of the ordinance.

- 5. If in any year the assessed value of the taxable property in a redevelopment area located in a city in a county whose population is 700,000 or more as shown by the assessment roll most recently equalized has decreased by 10 percent or more from the assessed value of the taxable property in the redevelopment area as shown by the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan, the redevelopment agency may adopt an ordinance which provides that the total assessed value of the taxable property in the redevelopment area for the purposes of paragraph (b) of subsection 1 is the total assessed value of the taxable property in the redevelopment area as shown by the assessment roll last equalized before the effective date of the ordinance adopted pursuant to this subsection. A redevelopment agency may adopt an ordinance pursuant to this subsection only once, and the election to adopt such an ordinance is irrevocable.
- 6. An agency which adopts an ordinance pursuant to subsection 5 and which receives revenue from taxes pursuant to paragraph (b) of subsection 1 shall set aside not less than 18 percent of that revenue received on and after the effective date of the ordinance to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. For each fiscal year, the agency shall prepare a written report concerning the amount of money expended for the purposes set forth in this subsection and shall, on or before November 30 of each year, submit a copy of the report to the Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission, if the report is received during an odd-numbered year, or to the next session of the Legislature, if the report is received during an even-numbered year.
- 7. The obligation of an agency pursuant to subsection 6 to set aside not less than 18 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by an agency before the effective date of an ordinance adopted by the agency pursuant to subsection 5, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency on or after the effective date of an ordinance adopted by the agency pursuant to subsection 5 shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

#### Sec. 13.7. NRS 279.685 is hereby amended to read as follows:

- 279.685 1. Except as otherwise provided in this section <u>1</u> <u>or subsections 6 and 7 of NRS 279.676</u>, an agency of a city whose population is 500,000 or more that receives revenue from taxes pursuant to paragraph (b) of subsection 1 of NRS 279.676 shall set aside not less than:
- (a) Fifteen percent of that revenue received on or before October 1, 1999, and 18 percent of that revenue received after October 1, 1999, but before October 1, 2011, to increase, improve and preserve the number of dwelling units in the community for low-income households; and
- (b) Eighteen percent of that revenue received on or after October 1, 2011, to increase, improve and preserve the number of:
  - (1) Dwelling units in the community for low-income households; and
  - (2) Educational facilities within the redevelopment area.
- 2. The obligation of an agency to set aside not less than 15 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before July 1, 1993, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after July 1, 1993, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.
- 3. The obligation of an agency to set aside an additional 3 percent of the revenue from taxes allocated to and received by the agency pursuant to paragraph (b) of subsection 1 of NRS 279.676 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by the agency before October 1, 1999, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency after October 1, 1999, shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.
- 4. From the revenue set aside by an agency pursuant to paragraph (b) of subsection 1, not more than 50 percent of that amount may be used to:
- (a) Increase, improve and preserve the number of dwelling units in the community for low-income households; or
- (b) Increase, improve and preserve the number of educational facilities within the redevelopment area,

- unless the agency establishes that such an amount is insufficient to pay the cost of a project identified in the redevelopment plan for the redevelopment area.
- 5. Except as otherwise provided in paragraph (b) of subsection 1 and subsection 4, the agency may expend or otherwise commit money for the purposes of subsection 1 outside the boundaries of the redevelopment area.
  - **Sec. 14.** 1. This act becomes effective upon passage and approval.
  - 2. Section 6 of this act expires by limitation on December 31, 2017.

Assemblywoman Neal moved the adoption of the amendment.

Remarks by Assemblywoman Neal.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 435.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 470.

AN ACT relating to insurance; revising the manner in which an assessment imposed on insurers in this State is calculated; revising requirements concerning reinsurance; exempting certain **domestic insurers** and prepaid limited health service organizations from a requirement to submit certain information to the Commissioner of Insurance; revising provisions governing the Nevada Life and Health Insurance Guaranty Association, the Interstate Insurance Product Regulation Compact, insurance holding companies and requirements that certain groups submit information to the Commissioner; and providing other matters properly relating thereto.

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

Existing law provides for the regulation of the business of insurance in this State, including, without limitation, kinds of insurance, assets and liabilities of insurers, holding companies, captive insurers and liability risk retention. (Chapters 681A, 681B, 686C, 687C, 692C, 694C, 695E of NRS) This bill makes various changes to those provisions.

Existing law requires insurers authorized to transact business in this State to pay an assessment to fund a program to investigate unfair or fraudulent insurance practices. (NRS 679B.630, 679B.700) **Section 1** of this bill revises the way in which this assessment is calculated.

Sections 2-5 of this bill revise the requirements certain insurers must meet in order to be allowed credit when assuming reinsurance. Section 6 of this bill authorizes the Commissioner of Insurance to exempt certain <u>domestic insurers and</u> prepaid limited health service organizations from the requirement to prepare and submit to the Commissioner a report of the level

of risk-based capital of the insurer at the end of the immediately preceding calendar year.

Existing law requires all insurers who provide life and health insurance in this State to maintain membership in the Nevada Life and Health Insurance Guaranty Association and requires the Association to cover the policies and contracts of an insolvent insurer. (NRS 686C.130, 686C.152) **Section 7** of this bill provides that the Association is not required to cover certain policies and contracts for health care benefits pursuant to Medicare. **Section 8** of this bill revises the amounts of certain benefits the Association is required to cover.

Under existing law, this State prospectively opts out of all uniform standards adopted by the Interstate Insurance Product Regulation Commission involving long-term care insurance products. (NRS 687C.030) **Section 9** of this bill deletes the prospective opt-out of this State. **Section 12** of this bill enacts certain requirements concerning the corporate governance of a domestic insurer.

Section 13 of this bill authorizes the Commissioner to convene a supervisory college, which is a forum for communication and cooperation between regulators, to ascertain the financial condition or legality of the conduct of certain insurers. Sections 15 and 16 of this bill revise provisions relating to the investments of a domestic insurer. Sections 17-21 of this bill revise provisions governing the acquisition of an insurer. Sections 22 and 23 of this bill require an insurer to submit certain information to the Commissioner concerning the insurer's general financial condition and corporate governance. Sections 24 and 25 of this bill revise provisions governing transactions by registered insurers with their affiliates.

[Sections 26 and 27 revise] Section 27 of this bill revises the method used to determine whether a dividend or distribution may be paid without requesting approval from the Commissioner. Section 28 of this bill revises provisions governing the authority of the Commissioner to examine an insurer. Section 29 of this bill changes the date by which certain insurers are required to submit to the Commissioner a report of the financial condition of the insurer. Sections 30-34 of this bill revise information which certain groups that conduct business concerning insurance are required to submit to the Commissioner.

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

**Section 1.** NRS 679B.700 is hereby amended to read as follows:

679B.700 1. The Special Investigative Account is hereby established in the Fund for Insurance Administration and Enforcement created by NRS 680C.100 for use by the Commissioner. The Commissioner shall

deposit all money received pursuant to this section with the State Treasurer for credit to the Account. Money remaining in the Account at the end of a fiscal year does not lapse to the State General Fund and may be used by the Commissioner in any subsequent fiscal year for the purposes of this section.

- 2. The Commissioner shall:
- (a) In cooperation with the Attorney General, biennially prepare and submit to the Governor, for inclusion in the executive budget, a proposed budget for the program established pursuant to NRS 679B.630; and
- (b) Authorize expenditures from the Special Investigative Account to pay the expenses of the program established pursuant to NRS 679B.630 and of any unit established in the Office of the Attorney General that investigates and prosecutes insurance fraud.
- 3. The money authorized for expenditure pursuant to paragraph (b) of subsection 2 must be distributed in the following manner:
- (a) Fifteen percent of the money authorized for expenditure must be paid to the Commissioner to oversee and enforce the program established pursuant to NRS 679B.630; and
- (b) Eighty-five percent of the money authorized for expenditure must be paid to the Attorney General to pay the expenses of the unit established in the Office of the Attorney General that investigates and prosecutes insurance fraud.
- 4. Except as otherwise provided in [subsections] subsection 5, [and 6,] costs of the program established pursuant to NRS 679B.630 must be paid by the insurers authorized to transact insurance in this State. The Commissioner shall [annually determine the total cost of the program and divide that amount among the insurers pro rata based upon the total amount of premiums charged to the insureds in this State by the insurer.
- 5. The annual amount so assessed on each reinsurer that has the authority to assume only reinsurance must not exceed \$500. For all other insurers subject to the annual assessment, the collect an annual assessment from each insurer authorized to transact insurance in this State. The annual amount so assessed to each insurer:
- (a) [Must not exceed] Is \$500, if the total amount of the premiums charged to insureds in this State by the insurer is less than \$100,000 [;] or if the insurer is a reinsurer that has the authority to assume only reinsurance;
- (b) [Must not exceed] Is \$750, if the total amount of the premiums charged to insureds in this State by the insurer is \$100,000 or more, but less than \$1,000,000;
- (c) [Must not exceed] Is \$1,000, if the total amount of the premiums charged to insureds in this State by the insurer is \$1,000,000 or more, but less than \$10,000,000;

- (d) [Must not exceed] Is \$1,500, if the total amount of the premiums charged to insureds in this State by the insurer is \$10,000,000 or more, but less than \$50,000,000; and
- (e) [Must not exceed] Is \$2,000, if the total amount of the premiums charged to insureds in this State by the insurer is \$50,000,000 or more.
- [6.] 5. The provisions of this section do not apply to an insurer who provides only workers' compensation insurance and pays the assessment provided in NRS 232.680.
- [7.] 6. The Commissioner shall adopt regulations to carry out the provisions of this section, including, without limitation, the [calculation and] collection of the assessment.
- [8.] 7. As used in this section, "reinsurer" has the meaning ascribed to it in NRS 681A.370.
  - **Sec. 2.** NRS 681A.140 is hereby amended to read as follows:
- 681A.140 As used in NRS 681A.140 to 681A.240, inclusive, "qualified financial institution in the United States" means an institution that:
- 1. Is organized, or in the case of a branch or agency of a foreign banking organization in the United States licensed, under the laws of the United States or any state thereof and has been granted authority to operate with fiduciary powers; [and]
- 2. Is regulated, supervised and examined by federal or state authorities having regulatory authority over banks and trust companies [-]; [and]
  - 3. Is determined:
- (a) By the Commissioner to meet the standards of financial condition and standing prescribed by the Commissioner; or
- (b) By the National Association of Insurance Commissioners to meet the standards of financial condition and standing prescribed by the National Association of Insurance Commissioners [...]; and
- 4. Is determined by the Commissioner to be otherwise acceptable.
- **Sec. 3.** NRS 681A.160 is hereby amended to read as follows:
- 681A.160 1. Except as otherwise provided in subsection 2, credit must be allowed if reinsurance is ceded to an assuming insurer which is accredited as a reinsurer in this state. An accredited reinsurer is one which:
- (a) Files with the Commissioner an executed form approved by the Commissioner as evidence of its submission to this state's jurisdiction;
  - (b) Submits to this state's authority to examine its books and records;
- (c) Files with the Commissioner a certified copy of a certificate of authority or other evidence approved by the Commissioner indicating that it is licensed to transact insurance or reinsurance in at least one state, or in the case of a branch in the United States of an alien assuming insurer is entered through and licensed to transact insurance or reinsurance in at least one state;

- (d) Files annually with the Commissioner a copy of its annual statement filed with the Division of its state of domicile or entry and a copy of its most recent audited financial statement;
- (e) Maintains a surplus as regards policyholders in an amount which is foothappada:
  - (1) Not less than \$20,000,000 and whose accreditation [:
- (1) Has] has not been denied by the Commissioner within 90 days after its submission; or
- (2) [Has] Less than \$20,000,000 and whose accreditation has been approved by the Commissioner; and
- (f) Pays all applicable fees, including, without limitation, all applicable fees required pursuant to NRS 680C.110.
- 2. No credit may be allowed for a domestic ceding insurer if the assuming insurer's accreditation has been revoked by the Commissioner after notice and a hearing.
  - **Sec. 4.** NRS 681A.180 is hereby amended to read as follows:
- 681A.180 1. Except as otherwise provided in subsection 4, credit must be allowed if reinsurance is ceded to an assuming insurer which maintains a trust fund in a qualified financial institution in the United States for the payment of the valid claims of its policyholders and ceding insurers in the United States, their assigns and successors in interest. The assuming insurer shall [report]:
- (a) **Report** annually to the Commissioner information substantially the same as that required to be reported on the National Association of Insurance Commissioners' form of annual statement by licensed insurers to enable the Commissioner to determine the sufficiency of the trust fund []; and
- (b) Submit to the authority of [this State] the Commissioner to examine its books and records.
- 2. In the case of a single assuming insurer, the trust must consist of an account in trust equal to the assuming insurer's liabilities attributable to business written in the United States and the assuming insurer shall maintain a surplus in trust of not less than \$20,000,000.
- 3. In the case of a group of incorporated and individual unincorporated underwriters [. the]:
- (a) **The** trust must consist of an account in trust equal to the group's liabilities attributable to business written in the United States. [and the]
  - (b) The group shall [maintain]:
- (1) **Maintain** a surplus in trust of which \$100,000,000 must be held jointly for the benefit of ceding insurers in the United States to any member of the group; [,] and [the group shall make]

- (2) *Make* available to the Commissioner an annual certification of the solvency of each underwriter by the group's domiciliary regulator and its independent public accountants.
  - (c) The incorporated members of the group:
- (1) Shall not engage in any business other than underwriting as a member of the group; and
- (2) Must be subject to the same level of regulation and solvency control by the applicable regulatory agency of the state in which the group is domiciled as the individual unincorporated members of the group.
- 4. If the assuming insurer does not meet the requirements of NRS 681A.110, 681A.160 or 681A.170, credit must not be allowed unless the assuming insurer has agreed to the following conditions set forth in the trust agreement:
- (a) Notwithstanding any provision to the contrary in the trust instrument, if the trust fund consists of an amount that is less than the amount required pursuant to this section, or if the grantor of the trust fund is declared to be insolvent or placed into receivership, rehabilitation, liquidation or a similar proceeding in accordance with the laws of the grantor's state or country of domicile, the trustee of the trust fund must comply with an order of the commissioner of insurance or other appropriate person with regulatory authority over the trust fund in that state or country or a court of competent jurisdiction requiring the trustee to transfer to that commissioner or person all the assets of the trust fund;
- (b) The assets of the trust fund must be distributed by and claims filed with and valued by the commissioner of insurance or other appropriate person with regulatory authority over the trust fund in accordance with the laws of the state in which the trust fund is domiciled that are applicable to the liquidation of domestic insurers in that state;
- (c) If the commissioner of insurance or other appropriate person with regulatory authority over the trust fund determines that the assets of the trust fund or any portion of the trust fund are not required to satisfy any claim of any ceding insurer of the grantor of the trust fund in the United States, the assets must be returned by that commissioner or person to the trustee of the trust fund for distribution in accordance with the trust agreement; and
  - (d) The grantor of the trust must waive any right that:
- (1) Is otherwise available to the grantor under the laws of the United States; and
  - (2) Is inconsistent with the provisions of this subsection.
  - **Sec. 5.** NRS 681A.240 is hereby amended to read as follows:
- 681A.240 A reduction from liability for the reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of NRS 681A.110 or the regulations of the Commissioner concerning risk-

based capital must be allowed in an amount not exceeding the liabilities carried by the ceding insurer and the reduction must be in the amount of assets held by or on behalf of the ceding insurer, including assets held in trust for the ceding insurer, under a contract of reinsurance with the assuming insurer as security for the payment of obligations thereunder, if the security is held in the United States subject to withdrawal solely by, and under the exclusive control of, the ceding insurer, or, in the case of a trust, held in a qualified financial institution in the United States. The security may be in any of the following forms:

- 1. Cash.
- 2. Securities listed by the Securities Valuation Office of the National Association of Insurance Commissioners and qualifying as admitted assets.
- 3. Irrevocable, unconditional letters of credit, each issued or confirmed by a qualified financial institution in the United States [which has been determined by the Commissioner, or the Securities Valuation Office of the National Association of Insurance Commissioners, to meet such standards of financial condition and standing as are considered necessary or appropriate to regulate the quality of financial institutions] whose letters of credit are acceptable to the Commissioner, no later than December 31 of the year for which filing is made, and in the possession of the ceding company on or before the date of filing its annual statement. A letter of credit meeting applicable standards of acceptability of its issuer as of the date of its issuance or confirmation, notwithstanding the issuing or confirming institution's subsequent failure to meet applicable standards of acceptability, continues to be acceptable as security until its expiration, extension, renewal, modification or amendment, whichever first occurs.
  - 4. Any other form of security acceptable to the Commissioner.
  - **Sec. 6.** NRS 681B.290 is hereby amended to read as follows:
- 681B.290 1. Except as otherwise provided in subsection 3, on or before March 1 of each year, each domestic insurer, and each foreign insurer domiciled in a state which does not have requirements for reporting risk-based capital, that transacts property, casualty, life or health insurance in this state shall prepare and submit to the Commissioner, and to each person designated by the Commissioner, a report of the level of the risk-based capital of the insurer as of the end of the immediately preceding calendar year. The report must be in such form and contain such information as required by the regulations adopted by the Commissioner pursuant to this section.
- 2. The Commissioner shall adopt regulations concerning the amount of risk-based capital required to be maintained by each insurer licensed to do business in this state that is transacting property, casualty, life or health insurance in this state. The regulations must be consistent with the

instructions for reporting risk-based capital adopted by the National Association of Insurance Commissioners, as those instructions existed on January 1, 1997. If the instructions are amended, the Commissioner may amend the regulations to maintain consistency with the instructions if the Commissioner determines that the amended instructions are appropriate for use in this state.

- 3. The Commissioner may exempt from the provisions of this section [a].
- (a) A domestic insurer who:
- [(a)] (1) Does not transact insurance in any other state; [and]
- [(b)] (2) Does not assume reinsurance that is more than 5 percent of the direct premiums written by the insurer [-]; and
  - (3) Writes annual premiums of not more than \$2,000,000.
- (b) A prepaid limited health service organization that provides or arranges for the provision of limited health services to fewer than 1,000 enrollees.
- 4. As used in this section, "prepaid limited health service organization" has the meaning ascribed to it in NRS 695F.050.
  - **Sec. 7.** NRS 686C.035 is hereby amended to read as follows:
  - 686C.035 1. This chapter does not provide coverage for:
- (a) A portion of a policy or contract not guaranteed by the insurer, or under which the risk is borne by the owner of the policy or contract.
- (b) A policy or contract of reinsurance unless assumption certificates have been issued pursuant to that policy or contract.
- (c) A portion of a policy or contract to the extent that the rate of interest on which it is based, or the interest rate, crediting rate or similar factor determined by the use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value:
- (1) Averaged over the period of 4 years before the date on which the association becomes obligated with respect to the policy or contract, exceeds the rate of interest determined by subtracting 2 percentage points from Moody's Corporate Bond Yield Average averaged for the same period, or for the period between the date of issuance of the policy or contract and the date the association became obligated, whichever period is less; and
- (2) On or after the date on which the association becomes obligated with respect to the policy or contract, exceeds the rate of interest determined by subtracting 3 percentage points from Moody's Corporate Bond Yield Average as most recently available.
- (d) A portion of a policy or contract issued to a plan or program of an employer, association or other person to provide life, health or annuity benefits to its employees, members or other persons to the extent that the

plan or program is self-funded or uninsured, including, but not limited to, benefits payable by an employer, association or other person under:

- (1) A multiple employer welfare arrangement described in 29 U.S.C. § [1144;] 1002(40);
  - (2) A minimum-premium group insurance plan;
  - (3) A stop-loss group insurance plan; or
  - (4) A contract for administrative services only.
- (e) A portion of a policy or contract to the extent that it provides for dividends, credits for experience, voting rights or the payment of any fee or allowance to any person, including the owner of a policy or contract, for services or administration connected with the policy or contract.
- (f) A policy or contract issued in this state by a member insurer at a time when the member insurer was not authorized to issue the policy or contract in this state.
- (g) A portion of a policy or contract to the extent that the assessments required by NRS 686C.230 with respect to the policy or contract are preempted by federal law.
- (h) An obligation that does not arise under the express written terms of the policy or contract issued by the insurer, including:
  - (1) Claims based on marketing materials;
- (2) Claims based on side letters or other documents that were issued by the insurer without satisfying applicable requirements for filing or approval of policy forms;
  - (3) Misrepresentations of or regarding policy benefits;
  - (4) Extra-contractual claims; or
  - (5) A claim for penalties or consequential or incidental damages.
- (i) A contractual agreement that establishes the member insurer's obligation to provide a guarantee based on accounting at book value for participants in a defined-contribution benefit plan by reference to a portfolio of assets owned by the benefit plan or its trustee, which in each case is not an affiliate of the member insurer.
- (j) A portion of a policy or contract to the extent that it provides for interest or other changes in value which are determined by the use of an index or other external reference stated in the policy or contract, but which have not been credited to the policy or contract, or as to which the rights of the owner of the policy or contract are subject to forfeiture, determined on the date the member insurer becomes an impaired or insolvent insurer, whichever occurs first. If the interest or changes in value of a policy or contract are credited less frequently than annually, for the purpose of determining the values that have been credited and are not subject to forfeiture, the interest or change in value determined by using procedures stated in the policy or contract must be credited as if the contractual date for

crediting interest or changing values was the date of the impairment or insolvency of the insured member, whichever occurs first and is not subject to forfeiture.

- (k) An unallocated annuity contract other than an annuity owned by a governmental retirement plan established under section 401, 403(b) or 457 of the Internal Revenue Code, 26 U.S.C. §§ 401, 403(b) and 457, respectively, or the trustees of such a plan.
- (l) A policy or contract providing any hospital, medical, prescription drug or other health care benefits pursuant to 42 U.S.C. §§ 1395w-21 et seq. and 1395w-101 et seq., and any regulations adopted pursuant thereto.
- 2. As used in this section, "Moody's Corporate Bond Yield Average" means the monthly average for corporate bonds published by Moody's Investors Service, Inc., or any successor average.
  - **Sec. 8.** NRS 686C.210 is hereby amended to read as follows:
- 686C.210 1. The benefits that the Association may become obligated to cover may not exceed the lesser of:
- (a) The contractual obligations for which the insurer is liable or would have been liable if it were not an impaired or insolvent insurer;
- (b) With respect to one life, regardless of the number of policies or contracts:
- (1) Three hundred thousand dollars in death benefits from life insurance, but not more than \$100,000 in net cash for surrender and withdrawal for life insurance; or
- (2) [One] Two hundred *fifty* thousand dollars in the present value of benefits from annuities, including net cash for surrender and withdrawal;
  - (c) With respect to health insurance for any one [natural person:] life:
- (1) One hundred thousand dollars for coverages other than disability insurance, *long-term care insurance*, basic hospital, medical and surgical insurance or major medical insurance, including any net cash for surrender or withdrawal:
- (2) Three hundred thousand dollars for disability *insurance or long-term care* insurance; or
- (3) Five hundred thousand dollars for basic hospital, medical and surgical insurance or major medical insurance;
- (d) With respect to each payee of a structured settlement annuity, or beneficiary or beneficiaries of the payee if deceased, [\$100,000] \$250,000 in present value of benefits from the annuity in the aggregate, including any net cash for surrender or withdrawal; or
- (e) With respect to each participant in a governmental retirement plan covered by an unallocated annuity contract which is owned by a governmental retirement plan established under section 401, 403(b) or 457 of the Internal Revenue Code, 26 U.S.C. §§ 401, 403(b) and 457, respectively,

or the trustees of such a plan, and which is approved by the Commissioner, an aggregate of [\$100,000,] \$250,000 in present-value annuity benefits, including the value of net cash for surrender and net cash for withdrawal, regardless of the number of contracts.

- 2. In no event is the Association obligated to cover more than:
- (a) With respect to any one life or person under paragraphs (b) [and (c)] to (e), inclusive, of subsection 1:
- (1) An aggregate of \$300,000 in benefits, excluding benefits for basic hospital, medical and surgical insurance or major medical insurance; or
- (2) An aggregate of \$500,000 in benefits, including benefits for basic hospital, medical and surgical insurance or major medical insurance.
- (b) With respect to one owner of several nongroup policies of life insurance, whether the owner is a natural person or an organization and whether the persons insured are officers, managers, employees or other persons, more than \$5,000,000 in benefits, regardless of the number of policies and contracts held by the owner.
- 3. The limitations set forth in this section are limitations on the benefits for which the Association is obligated before taking into account its rights to subrogation or assignment or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer attributable to covered policies. The cost of the Association's obligations under this chapter may be met by the use of assets attributable to covered policies, or reimbursed to the Association pursuant to its rights to subrogation or assignment.
- 4. In performing its obligation to provide coverage under NRS 686C.150 and 686C.152, the Association need not guarantee, assume, reinsure or perform, or cause to be guaranteed, assumed, reinsured or performed, the contractual obligations of the impaired or insolvent insurer under a covered policy or contract which do not materially affect the economic value or economic benefits of the covered policy or contract.
  - **Sec. 9.** NRS 687C.030 is hereby amended to read as follows:
- 687C.030 1. It is the policy of this State to opt out of and the Commissioner of Insurance shall by regulation opt out of any uniform standard adopted by the Interstate Insurance Product Regulation Commission which provides less protection than a law of this State or otherwise diminishes the rights of policyholders and persons applying for a policy of insurance in this State.
- 2. Upon determining, or upon becoming aware of a finding of a court of competent jurisdiction which found, that this State must opt out of a uniform standard pursuant to subsection 1, the Commissioner shall provide to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature notice of such determination or finding.

- [3. This State prospectively opts out of all uniform standards adopted by the Interstate Insurance Product Regulation Commission involving long term care insurance products.]
- **Sec. 10.** Chapter 692C of NRS is hereby amended by adding thereto the provisions set forth as sections 11, 12 and 13 of this act.
- Sec. 11. "Enterprise risk" means any activity, circumstance, event or series of events involving one or more affiliates of an insurer that, if not remedied promptly, is likely to have a material adverse effect on the financial condition or liquidity of the insurer or its insurance holding company system as a whole, including, without limitation, any activity, circumstance, event or series of events that may cause:
- 1. The risk-based capital of the insurer to fall below the minimum amount of risk-based capital required by regulations adopted pursuant to NRS 681B.290; or
- 2. The insurer to be in a hazardous financial condition as set forth in regulations adopted pursuant to NRS 680A.205.
- Sec. 12. 1. If a domestic insurer is under the control of a foreign person, the officers and directors of the domestic insurer are not relieved of any obligations or liabilities to which they are subject by law. The domestic insurer must be managed in a manner that ensures its separate operating identity.
- 2. The provisions of this section do not prohibit a registered domestic insurer and one or more other persons from having or sharing common management, participating as a cooperative or sharing employees, property or services in a manner authorized under NRS 692C.360.
- 3. Except as otherwise provided in subsections 6 and 7, at least one person in any quorum for the transaction of business at any meeting of the board of directors of a registered domestic insurer or any committee thereof must be a person who is not:
- (a) An officer or employee of the domestic insurer or of any entity controlling, controlled by or under common control with the domestic insurer; or
- (b) A beneficial owner of a controlling interest in the voting stock of the domestic insurer or entity.
- 4. Except as otherwise provided in subsections 6 and 7, not less than one-third of the members of the board of directors of a registered domestic insurer and not less than one-third of the members of each committee of the board of directors of any registered domestic insurer must be persons described in subsection 3.
- 5. Except as otherwise provided in subsections 6 and 7, the board of directors of a registered domestic insurer shall establish one or more

committees consisting solely of persons described in subsection 3. Each committee shall:

- (a) Nominate candidates for director for election by shareholders or policyholders;
- (b) Evaluate the performance of each principal officer of the registered domestic insurer; and
- (c) Make recommendations to the board of directors concerning the selection and compensation of each of those principal officers.
- 6. The provisions of subsections 3, 4 and 5 do not apply to a registered domestic insurer if the registered domestic insurer is controlled by an entity and the board of directors of the controlling entity and the committees thereof meet the requirements of subsections 3, 4 and 5.
- 7. A registered domestic insurer may apply to the Commissioner for a waiver of the provisions of this section if the registered domestic insurer has:
- (a) Annual direct written and assumed premiums of less than \$300,000,000, excluding any premiums reinsured with:
- (1) The Federal Crop Insurance Corporation of the Risk Management Agency of the United States Department of Agriculture; and
- (2) The National Flood Insurance Program of the Federal Emergency Management Agency of the United States Department of Homeland Security; or
- (b) In any other circumstances determined by the Commissioner to warrant a waiver.
- 8. In considering whether or not to grant a waiver pursuant to subsection 7, the Commissioner may consider any relevant factors, including, without limitation:
  - (a) The type of business entity applying for the waiver;
  - (b) The volume of business written;
- (c) The availability of persons specified in subsection 3 to serve on the board of directors; and
- (d) The ownership or organizational structure of the registered domestic insurer or controlling person thereof.
- Sec. 13. 1. The Commissioner may, for any registered insurer who is part of an insurance holding company system with international operations, convene a supervisory college or participate in a supervisory college convened by a state, federal or international regulatory agency with authority over any insurer who is part of the insurance holding company system:
- (a) To determine whether or not the registered insurer is in compliance with the provisions of this chapter;

- (b) To assess the business strategy, financial position, legal and regulatory compliance, risk exposure, risk management and governance procedures of the registered insurer; or
- (c) As part of an examination of the registered insurer pursuant to NRS 692C.410.
- 2. In convening a supervisory college pursuant to subsection 1, the Commissioner may, without limitation:
  - (a) Establish:
    - (1) The membership of the supervisory college;
    - (2) The functions of the supervisory college; and
- (3) The role of each regulatory agency participating in the supervisory college;
- (b) Designate a regulatory agency as supervisor of the supervisory college; and
- (c) Coordinate the activities of the supervisory college, including, without limitation:
  - (1) Meetings;
  - (2) Supervisory activities; and
- (3) The sharing of information among members of the supervisory college.
- 3. In convening or participating in a supervisory college pursuant to this section, the Commissioner may enter into agreements with other state, federal or international regulatory agencies concerning the governance of a supervisory college. Such an agreement must meet the confidentiality requirements of NRS 692C.420.
  - 4. The provisions of this section must not be construed to:
  - (a) Limit the authority of the Commissioner; or
- (b) Delegate to any supervisory college the authority of the Commissioner to regulate a registered insurer or any affiliate of a registered insurer pursuant to this title.
- 5. As used in this section, "supervisory college" means a temporary or permanent forum for communication and cooperation between regulators, including, without limitation, state, federal and international regulatory agencies which are charged with regulating and supervising an insurer.
- **Sec. 14.** NRS 692C.020 is hereby amended to read as follows:
- 692C.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 692C.025 to 692C.110, inclusive, *and section 11 of this act* have the meanings ascribed to them in those sections.
  - **Sec. 15.** NRS 692C.140 is hereby amended to read as follows:
- 692C.140 In addition to making investments in common stock, preferred stock, debt obligations and other securities permitted under chapter 682A of NRS, a domestic insurer may invest:

- 1. In common stock, preferred stock, debt obligations and other securities of one or more subsidiaries, amounts which do not exceed the lesser of 10 percent of the insurer's assets or 50 percent of its surplus as regards policyholders, if the insurer's surplus as regards policyholders remains at a reasonable level in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of such investments [, the]:
- (a) Any investment in a domestic or foreign insurance subsidiary or health maintenance organization must be excluded.
  - **(b)** *The* following must be included:
- [(a)] (1) Total *net* money or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and
- [(b)] (2) All amounts expended in acquiring additional common stock, preferred stock, debt obligations and other securities and all contributions to the capital or surplus of a subsidiary after its acquisition or formation.
- 2. Any amount in common stock, preferred stock, debt obligations and other securities of one or more subsidiaries [,] that are engaged exclusively in or organized to engage exclusively in the ownership and management of assets which are authorized as investments of the domestic insurer, if each subsidiary agrees to limit its investments in any asset so that those investments will not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in subsection 1 or in chapter 682A of NRS. For the purpose of this subsection, "total investment of the insurer" includes any direct investment by the insurer in an asset and the insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which must be calculated by multiplying the amount of the subsidiary's investment by the percentage of the insurer's ownership of the subsidiary.
- 3. Any amount in common stock, preferred stock, debt obligations or other securities of one or more subsidiaries, with the approval of the Commissioner, if the insurer's surplus as regards policyholders remains at a reasonable level in relation to the insurer's outstanding liabilities and adequate to its financial needs.
  - **Sec. 16.** NRS 692C.160 is hereby amended to read as follows:
- 692C.160 Whether or not any investment made pursuant to NRS 692C.140 meets the applicable requirements thereof is to be determined [immediately after] before such investment is made [,] by calculating the applicable investment limitations as though the investment has already been made, taking into account the then outstanding principal balance on all

previous investments in debt obligations, [and] the value of all previous investments in equity securities as of the date they were made [-] and the net of any return of capital invested, not including dividends.

- **Sec. 17.** NRS 692C.180 is hereby amended to read as follows:
- 692C.180 1. No person other than the issuer may make a tender for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire or acquire in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, the person would directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer, nor may any person enter into an agreement to merge with or otherwise acquire control of a domestic insurer, unless, at the time any such offer, request or invitation is made or any such agreement is entered into, or before the acquisition of those securities if no offer or agreement is involved, the person has filed with the Commissioner and has sent to the insurer, and the insurer has sent to its shareholders, a statement containing the information required by NRS 692C.180 to 692C.250, inclusive, and , except as otherwise provided in subsection 4, the offer, request, invitation, agreement or acquisition has been approved by the Commissioner in the manner prescribed in this chapter.
- 2. The statement required by subsection I must be filed with the Commissioner at least 60 days before the proposed date of the acquisition. The statement must set forth, without limitation, the information required by NRS 692C.254. A person who fails to comply with this subsection is subject to the penalties set forth in subsections 6 and 7 of NRS 692C.258.
- 3. A person controlling a domestic insurer who is seeking to divest his or her controlling interest in the domestic insurer shall file with the Commissioner, and send to the insurer, notice of the proposed divestiture at least 30 days before the proposed divestiture, unless a statement has been filed pursuant to subsection 1 concerning the proposed transaction. Notice filed pursuant to this subsection is confidential until the conclusion, if any, of the divestiture unless the Commissioner determines that such confidentiality will interfere with the enforcement of this section.
- 4. Upon receiving a statement or notice pursuant to this section by a person seeking to acquire a controlling interest in a domestic insurer or divest a controlling interest in a domestic insurer, the Commissioner shall determine whether or not the person will be required to file for and obtain the approval of the Commissioner for the acquisition or divestiture. As soon as practicable after making that determination, the Commissioner shall notify the person of the results of the determination.
- 5. For purposes of this section, a domestic insurer includes any other person controlling a domestic insurer unless the other person is directly or through affiliates primarily engaged in a business other than the business of

insurance. If a person is directly or through affiliates primarily engaged in a business other than the business of insurance, the person shall, at least 60 days before the proposed effective date of the acquisition, file a notice of intent to acquire with the Commissioner setting forth the information required by NRS 692C.254.

- 6. As used in this section, "person" does not include a securities broker who, in the regular course of business as a broker, holds less than 20 percent of the voting securities of an insurer or of any person who controls an insurer.
  - **Sec. 18.** NRS 692C.190 is hereby amended to read as follows:
- 692C.190 The statement to be filed with the Commissioner hereunder shall be made under oath or affirmation and shall contain the following:
- 1. The name and address of each person (hereinafter called the "acquiring party") by whom or on whose behalf the merger or other acquisition of control referred to in *subsection 1 of* NRS 692C.180 is to be effected and, if such person is:
- (a) An individual, the individual's principal occupation and all offices and positions held by the individual during the past 5 years, and any conviction of crimes other than for minor traffic violations during the past 10 years.
- (b) Not an individual, a report of the nature of its business operations during the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence, together with an informative description of the business intended to be done by such person and such person's subsidiaries, and a list of all individuals who are or who have been selected to become directors or executive officers of such person or who perform or will perform functions appropriate to such positions. Such list shall include for each such individual the information required by paragraph (a) of this subsection.
- 2. The source, nature and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction wherein funds were or are to be obtained for any such purpose, and the identity of persons furnishing such consideration, but where a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential, if the person filing such statement so requests.
- 3. Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding 5 fiscal years of each such acquiring party (or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence), and similar unaudited information as of a date not earlier than 90 days prior to the filing of the statement.

- 4. Any plans or proposals which each acquiring party may have to liquidate such insurer, to sell its assets or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.
- 5. The number of shares of any security referred to in *subsection 1 of* NRS 692C.180 which each acquiring party proposes to acquire, and the terms of the offer, request, invitation, agreement or acquisition referred to in *subsection 1 of* NRS 692C.180 and a statement as to the method by which the fairness of the proposal was determined.
- 6. The amount of each class of any security referred to in *subsection 1 of* NRS 692C.180 which is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party.
- 7. A full description of any contracts, arrangements or understandings with respect to any security referred to in *subsection 1 of* NRS 692C.180 in which any acquiring party is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been made.
- 8. A description of the purchase of any security referred to in *subsection 1 of* NRS 692C.180 during the 12 calendar months preceding the filing of the statement by any acquiring party, including the dates of purchase, names of the purchasers and consideration paid or agreed to be paid therefor.
- 9. A description of any recommendations to purchase any security referred to in *subsection 1 of* NRS 692C.180 made during the 12 calendar months preceding the filing of the statement by any acquiring party, or by anyone based upon interviews with or at the suggestion of such acquiring party.
- 10. Copies of all tenders, offers for, requests or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any securities referred to in subsection 1, and, if distributed, additional soliciting material relating thereto.
- 11. The terms of any agreement, contract or understanding made with any broker-dealer, as to solicitation of securities referred to in *subsection 1 of* NRS 692C.180, for tender, and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.
- 12. Such additional information as the Commissioner may by rule or regulation prescribe as necessary or appropriate for the protection of policy holders and security holders of the insurer or for the protection of the public interest.

→ If the person required to file the statement referred to in this section is a partnership, limited partnership, syndicate or other group, the Commissioner may require that the information required by [subsections 1 to 12, inclusive, of this section, be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group, and each person who controls such partner or member. If any such partner, member or person is a corporation or the person required to file the statement referred to in subsection 1 of NRS 692C.180 is a corporation, the Commissioner may require that the information required by [subsections 1 to 12, inclusive, of] this section, be given with respect to such corporation, each officer and director of such corporation, and each person who is directly or indirectly the beneficial owner of more than 10 percent of the outstanding voting securities of such corporation. If any material change occurs in the facts set forth in the statement filed with the Commissioner and sent to such insurer pursuant to this section, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the Commissioner and sent to such insurer within 2 business days after the person learns of such change. Such insurer shall send each such amendment to its shareholders.

**Sec. 19.** NRS 692C.200 is hereby amended to read as follows:

692C.200 If any offer, request, invitation, agreement or acquisition referred to in *subsection 1 of* NRS 692C.180 is proposed to be made by means of a registration statement under the Securities Act of 1933, 15 U.S.C. §§ 77a to 77aa, inclusive, or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934, 15 U.S.C. §§ [77b] 78a et seq., or under any state law requiring similar registration or disclosure, the person required to file the statement referred to in *subsection 1 of* NRS 692C.180 may utilize such documents in furnishing the information called for by that statement.

**Sec. 20.** NRS 692C.210 is hereby amended to read as follows:

- 692C.210 1. Except as otherwise provided in [subsection] subsections 5 [-] and 7, the Commissioner shall approve any merger or other acquisition of control referred to in subsection 1 of NRS 692C.180 unless, after a public hearing thereon, the Commissioner finds that:
- (a) After the change of control, the domestic insurer specified in *subsection 1 of* NRS 692C.180 would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;
- (b) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly;

- (c) The financial condition of any acquiring party may jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders or the interests of any remaining security holders who are unaffiliated with the acquiring party;
- (d) The terms of the offer, request, invitation, agreement or acquisition referred to in *subsection 1 of* NRS 692C.180 are unfair and unreasonable to the security holders of the insurer;
- (e) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer or not in the public interest;
- (f) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer or of the public to permit the merger or other acquisition of control;
- (g) If approved, the merger or acquisition of control would likely be harmful or prejudicial to the members of the public who purchase insurance; or
- (h) The practices of the applicant in managing claims have evidenced a pattern in which the applicant has knowingly committed, or performed with such frequency as to indicate a general business practice of:
- (1) Misrepresentation of pertinent facts or provisions of policies of insurance as they relate to coverages at issue;
- (2) Failure to affirm or deny coverage of claims within a reasonable time after written proofs of loss have been furnished; or
  - (3) Failure to pay claims in a timely manner.
- 2. [The] Except as otherwise provided in subsection 7, the public hearing specified in subsection 1 must be held within [60] 30 days after the statement required by subsection 1 of NRS 692C.180 has been filed, and at least 20 days' notice thereof must be given by the Commissioner to the person filing the statement. Not less than 7 days' notice of the public hearing must be given by the person filing the statement to the insurer and to any other person designated by the Commissioner. The insurer shall give such notice to its security holders. The Commissioner shall make a determination within 60 days after the conclusion of the hearing. If the Commissioner determines that an infusion of capital to restore capital in connection with the change in control is required, the requirement must be met within 60 days after notification is given of the determination. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent and any other person whose interests may be affected thereby may present evidence, examine and cross-examine witnesses, and offer oral and

written arguments and, in connection therewith, may conduct discovery proceedings in the same manner as is presently allowed in the district court of this state. All discovery proceedings must be concluded not later than 3 days before the commencement of the public hearing.

- 3. The Commissioner may retain at the acquiring party's expense attorneys, actuaries, accountants and other experts not otherwise a part of the staff of the Commissioner as may be reasonably necessary to assist the Commissioner in reviewing the proposed acquisition of control.
- 4. The period for review by the Commissioner must not exceed the 60 days allowed between the filing of the notice of intent to acquire required pursuant to subsection [2] 5 of NRS 692C.180 and the date of the proposed acquisition if the proposed affiliation or change of control involves a financial institution, or an affiliate of a financial institution, and an insured.
- 5. When making a determination pursuant to paragraph (b) of subsection 1, the Commissioner:
- (a) Shall require the submission of the information specified in subsection 2 of NRS 692C.254; [and]
  - (b) Shall consider:
- (1) The standards set forth in the <u>Horizontal Merger Guidelines</u> issued by the United States Department of Justice and the Federal Trade Commission and in effect at the time the Commissioner receives the statement required pursuant to subsection 1 of NRS 692C.180; and
  - (2) The factors described in subsection 3 of NRS 692C.256; and
- (c) May condition approval of the merger or acquisition of control in the manner provided in subsection 4 of NRS 692C.258.
- 6. If, in connection with a change of control of a domestic insurer, the Commissioner determines that the person who is acquiring control of the domestic insurer must maintain or restore the capital of the domestic insurer in an amount that is required by the laws and regulations of this state, the Commissioner shall make the determination not later than 60 days after the notice of intent to acquire required pursuant to subsection [2] 5 of NRS 692C.180 is filed with the Commissioner.
- 7. If the proposed merger or other acquisition of control referred to in subsection 1 of NRS 692C.180 requires the approval of the commissioner of more than one state, the public hearing required pursuant to subsection 1 may, upon the request of the person who filed the statement required pursuant to subsection 1 of NRS 692C.180, be consolidated with the hearings required in other states. Not more than 5 days after receiving such a request, the Commissioner shall file with the National Association of Insurance Commissioners a copy of the statement that was filed with the Commissioner pursuant to subsection 1 of NRS 692C.180 by the person requesting a consolidated hearing. The Commissioner may opt out of a

consolidated hearing and, if the Commissioner elects to do so, he or she shall provide notice to the person requesting the consolidated hearing not more than 10 days after receiving the statement filed pursuant to subsection 1 of NRS 692C.180. A consolidated hearing must be public and must be held within the United States before participating commissioners of the states in which the insurers are domiciled. Participating commissioners may hear and receive evidence at the hearing.

- **Sec. 21.** NRS 692C.256 is hereby amended to read as follows:
- 692C.256 1. The Commissioner may issue an order pursuant to NRS 692C.258 relating to an acquisition if:
- (a) The effect of the acquisition may substantially lessen competition in any line of insurance in this state or tend to create a monopoly; or
- (b) The acquiring person fails to file sufficient materials or information pursuant to NRS 692C.254.
- 2. In determining whether to issue an order pursuant to subsection 1, the Commissioner shall consider the standards set forth in the <u>Horizontal Merger Guidelines</u> issued by the United States Department of Justice and the Federal Trade Commission and in effect at the time the Commissioner receives the notice required pursuant to NRS 692C.254.
- 3. The Commissioner shall, before issuing an order specified in subsection 1, consider:
  - (a) If:
- (1) The acquisition creates substantial economies of scale or economies in the use of resources that may not be created in any other manner; and
- (2) The public benefit received from those economies exceeds the public benefit received from not lessening competition; or
  - (b) If:
- (1) The acquisition substantially increases the availability of insurance; and
- (2) The public benefit received by that increase exceeds the public benefit received from not lessening competition.
- 4. The public benefits set forth in subparagraph 2 of paragraphs (a) and (b) of subsection 3 may be considered together, as applicable, in assessing whether the public benefits received from the acquisition exceed any benefit to competition that would arise from disapproving the acquisition.
- 5. The [acquiring person] *Commissioner* has the burden of establishing that the acquisition will [not] result in a violation of the competitive standard set forth in subsection 1.
  - **Sec. 22.** NRS 692C.270 is hereby amended to read as follows:
  - 692C.270 Every insurer subject to registration shall file [a]:
- 1. A registration statement on a form provided by the Commissioner, which must contain current information about:

- [1.] (a) The capital structure, general financial condition, ownership and management of the insurer and any person controlling the insurer.
- [2.] (b) The identity of every member of the insurance holding company system.
- [3.] (c) The following agreements in force, relationships subsisting and transactions currently outstanding between the insurer and its affiliates:
- $\frac{\{(a)\}}{\{(a)\}}$  (1) Loans, other investments or purchases, sales or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates.
  - [(b)] (2) Purchases, sales or exchanges of assets.
  - (3) Transactions not in the ordinary course of business.
- [(d)] (4) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business.
- [(e)] (5) All management and service contracts and all cost-sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles.
- [(f)] (6) Reinsurance agreements covering all or substantially all of one or more lines of insurance of the ceding company.
  - $\frac{f(g)}{f(g)}$  (7) Any dividend or other distribution made to a shareholder.
  - [(h)] (8) Any consolidated agreement to allocate taxes.
- [4.] (d) Any pledge of the insurer's stock, including the stock of any subsidiary or controlling affiliate of the insurer, for a loan made to any member of the insurance holding company system.
- [5.] (e) Any other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the Commissioner.
  - 2. A statement verifying that:
- (a) The board of directors of the insurer oversees the corporate governance and internal controls of the insurer; and
- (b) Officers or senior management of the insurer have approved, implemented and continue to maintain and monitor the corporate governance and internal controls of the insurer.
- 3. Financial statements of the insurance holding company system and all affiliates, if requested by the Commissioner. This requirement may be satisfied by providing the most recent statement filed with the United States Securities and Exchange Commissioner pursuant to the Securities Act of 1933, 15 U.S.C. §§ 78a et seq., by the insurance holding company system or its parent corporation.
  - **Sec. 23.** NRS 692C.290 is hereby amended to read as follows:
- 692C.290 1. Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material

changes or additions on forms provided by the Commissioner within 15 days after the end of the month in which it learns of each such change or addition, and not less often than annually, except that, subject to the provisions of NRS 692C.390, each registered insurer shall report all dividends and other distributions to shareholders within 5 business days following the declaration and 10 days before payment.

- 2. If the principal of a registered insurer does not file a report of enterprise risk with the commissioner of the lead state of the insurance company system, as determined by the most recent edition of the Financial Analysis Handbook, published by the National Association of Insurance Commissioners, in a calendar year, the principal shall file a report of enterprise risk with the Commissioner. The principal shall include in the report the material risks within the insurance holding company system that, to the best of his or her knowledge and belief, may pose enterprise risk to the registered insurer.
  - **Sec. 24.** NRS 692C.360 is hereby amended to read as follows:
- 692C.360 *1.* Material transactions by registered insurers with their affiliates are subject to all of the following standards:
  - [1.] (a) The terms must be fair and reasonable.
  - [2.] (b) Charges or fees for services performed must be reasonable.
- [3.] (c) Expenses incurred and payment received must be allocated to the insurer in conformity with customary accounting practices concerning insurance consistently applied.
- [4.] (d) The books, accounts and records of each party must be so maintained as to disclose clearly and accurately the precise nature and details of the transactions [-
- -5.] and must include any accounting information required to support the reasonableness of any charges or fees.
- (e) The insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates must be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.
- 2. The Commissioner may adopt regulations governing agreements for sharing the cost of services or management between registered insurers and their affiliates.
  - **Sec. 25.** NRS 692C.363 is hereby amended to read as follows:
- 692C.363 1. [A] Except as otherwise provided in subsection 2, a domestic insurer shall not enter into any of the following transactions with an affiliate unless the insurer has notified the Commissioner in writing of its intention to enter into the transaction at least [60] 30 days previously, or such shorter period as the Commissioner may permit, and the Commissioner has not disapproved it within that period:

- (a) A sale, purchase, exchange, loan or extension of credit, guaranty or investment if the transaction equals at least:
- (1) With respect to an insurer other than a life insurer, the lesser of 3 percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; or
- (2) With respect to a life insurer, 3 percent of the insurer's admitted assets,
- → computed as of December 31 next preceding the transaction.
- (b) A loan or extension of credit to any person who is not an affiliate, if the insurer makes the loan or extension of credit with the agreement or understanding that the proceeds of the transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer if the transaction equals at least:
- (1) With respect to insurers other than life insurers, the lesser of 3 percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; or
- (2) With respect to life insurers, 3 percent of the insurer's admitted assets,
- → computed as of December 31 next preceding the transaction.
- (c) [An] A pooling agreement or other agreement for reinsurance or a modification thereto in which the premium for reinsurance or a change in the insurer's liabilities equals at least 5 percent of the insurer's surplus as regards policyholders as of December 31 next preceding the transaction, including an agreement which requires as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of those assets will be transferred to an affiliate of the insurer.
- (d) An agreement for management, *agreement to allocate taxes*, contract for service, guarantee or arrangement to share costs.
- (e) A guaranty made by a domestic insurer, *regardless of whether the guaranty is quantifiable as to amount,* except that a guaranty that is quantifiable as to amount is not subject to the provisions of this subsection unless the guaranty exceeds the lesser of one-half of 1 percent of the admitted assets of the domestic insurer or 10 percent of its surplus as regards policyholders as of December 31 next preceding the guaranty.
- (f) Except as otherwise provided in subsection [3,] 4, a direct or indirect acquisition of or investment in a person who controls the domestic insurer or an affiliate of the domestic insurer in an amount that, when added to its present holdings, exceeds 2.5 percent of the domestic insurer's surplus to policyholders.

- (g) A material transaction, specified by regulation, which the Commissioner determines may adversely affect the interest of the insurer's policyholders.
- 2. A domestic insurer shall not amend or modify any agreement with an affiliate to enter into a transaction subject to the provisions of subsection 1 unless the insurer notifies the Commissioner. The notice must be given not less than 30 days before the effective date of the amendment or modification and must include, without limitation, the reasons for the amendment or modification and the financial impact, if any, of the amendment or modification on the domestic insurer. Upon receipt of a notice pursuant to this subsection, the Commissioner shall determine whether the amendment or modification is subject to the provisions of subsection 1 and notify the domestic insurer of the Commissioner's determination [1-] within 30 days. If the Commissioner does not give such notice within 30 days after receiving the notice from the domestic insurer, the amendment or modification shall be deemed to be approved.
- 3. This section does not authorize or permit any transaction which, in the case of an insurer not an affiliate, would be contrary to law.
- [3.] 4. The provisions of paragraph (f) of subsection 1 do not apply to a direct or indirect acquisition of or investment in:
- (a) A subsidiary acquired in accordance with this section or NRS 692C.140; or
- (b) A nonsubsidiary insurance affiliate that is subject to the provisions of this chapter.

#### Sec. 26. [NRS 692C.380 is hereby amended to read as follows:

- -692C.380 For purposes of NRS 692C.360 to 692C.400, inclusive, an extraordinary dividend or distribution includes any dividend or distribution of each or other property, whose fair market value together with that of other dividends or distributions made within the preceding 12 months exceeds the [greater] lesser of:
- 1. Ten percent of the insurer's surplus as regards policyholders as of December 31 next preceding the dividend or distribution; or
- 2. The net gain from operations of the insurer, if the insurer is a life insurer, or the net income, not including realized capital gains if the insurer is not a life insurer, for the 12-month period ending December 31 next preceding the dividend or distribution.
- but does not include pro rata distributions of any class of the insurer's own securities.] (Deleted by amendment.)
  - **Sec. 27.** NRS 692C.390 is hereby amended to read as follows:
- 692C.390 1. An insurer subject to registration under NRS 692C.260 to 692C.350, inclusive, shall not pay any extraordinary dividend or make any other extraordinary distribution to its shareholders until:

- (a) Thirty days after the Commissioner has received notice of the declaration thereof and has not within that period disapproved the payment; or
  - (b) The Commissioner approves the payment within the 30-day period.
- 2. A request for approval of an extraordinary dividend or any other extraordinary distribution pursuant to subsection 1 must include:
- (a) A statement indicating the amount of the proposed dividend or distribution:
- (b) The date established for the payment of the proposed dividend or distribution;
- (c) A statement indicating whether the proposed dividend or distribution is to be paid in the form of cash or property and, if it is to be paid in the form of property, a description of the property, its cost and its fair market value together with an explanation setting forth the basis for determining its fair market value;
- (d) A copy of a work paper or other document setting forth the calculations used to determine that the proposed dividend or distribution is extraordinary, including:
- (1) The amount, date and form of payment of each regular dividend or distribution paid by the insurer, other than any distribution of a security of the insurer, within the 12 consecutive months immediately preceding the date established for the payment of the proposed dividend or distribution;
- (2) The amount of surplus, if any, as regards policyholders, including total capital and surplus, as of December 31 next preceding;
- (3) If the insurer is a life insurer, the amount of any net gains obtained from the operations of the insurer for the 12-month period ending December 31 next preceding;
- (4) If the insurer is not a life insurer, the amount of net income of the insurer less any realized capital gains for the 12-month period ending on the December 31 of the year next preceding and the two consecutive 12-month periods immediately preceding that period; and
- (5) If the insurer is not a life insurer, the amount of each dividend paid by the insurer to shareholders, other than a distribution of any securities of the insurer, during the preceding 2 calendar years;
- (e) A balance sheet and statement of income for the period beginning on the date of the last annual statement filed by the insurer with the Commissioner and ending on the last day of the month immediately preceding the month in which the insurer files the request for approval; and
  - (f) A brief statement setting forth:
- (1) The effect of the proposed dividend or distribution upon the insurer's surplus;

- (2) The reasonableness of the insurer's surplus in relation to the insurer's outstanding liabilities; and
- (3) The adequacy of the insurer's surplus in relation to the insurer's financial requirements.
- 3. In determining whether a dividend or distribution is extraordinary, an insurer other than a life insurer may carry forward net income from the previous 2 calendar years that has not already been paid out as dividends. The amount the insurer may carry forward must be computed by taking the net income from the second and third preceding calendar years, not including realized capital gains, less dividends paid in the second and immediately preceding calendar years.
- 4. Each insurer specified in subsection 1 that pays an extraordinary dividend or makes any other extraordinary distribution to its shareholders shall, within 15 days after declaring the dividend or making the distribution, report that fact to the Commissioner. The report must include the information specified in paragraph (d) of subsection 2.
  - **Sec. 28.** NRS 692C.410 is hereby amended to read as follows:
- 692C.410 1. Subject to the limitation contained in this section and in addition to the powers which the Commissioner has under NRS 679B.230 to 679B.287, inclusive, relating to the examination of insurers, the Commissioner may [order] examine any insurer registered under NRS 692C.260 to 692C.350, inclusive, [to produce such records, books or other information papers in its possession or in the possession of its affiliates as may be necessary to ascertain the financial condition or legality of conduct of such insurer.] and any affiliate of the insurer to ascertain the financial condition of the insurer, including, without limitation, the enterprise risk posed to the insurer by a person controlling the insurer, any entity or combination of entities within the insurance holding company system or by the insurance holding company system. The Commissioner may order any insurer registered under NRS 692C.260 to 692C.350, inclusive, to produce any information not in the possession of the insurer if the insurer is able to obtain the information pursuant to any contractual or statutory requirement or any other method. If the insurer is unable to obtain any information requested by the Commissioner pursuant to this section, the insurer shall provide to the Commissioner a statement setting forth the reasons the insurer is unable to obtain the information and the identity of the holder of the information, if known to the insurer. Whenever it appears to the Commissioner that the detailed explanation is without merit, the Commissioner may require, after notice and hearing, the insurer to pay a penalty of \$100 for each day the requested information is not produced or may suspend or revoke the license of the insurer. In the event such insurer

fails to comply with such order, the Commissioner may examine such affiliates to obtain such information.

- 2. The Commissioner shall exercise his or her power under [subsection] subsections 1 and 5 only if the examination of the insurer under NRS 679B.230 to 679B.287, inclusive, is inadequate or the interests of the policyholders of such insurer may be adversely affected.
- 3. The Commissioner may retain at the registered insurer's expense such attorneys, actuaries, accountants and other experts not otherwise a part of the Commissioner's staff as may be reasonably necessary to assist in the conduct of the examination under [subsection] subsections 1 [.] and 5. Any persons so retained shall be under the direction and control of the Commissioner and shall act in a purely advisory capacity.
- 4. Each [registered] insurer producing for examination *any information pursuant to subsection 1 or any* records, books and papers pursuant to subsection [1] 5 shall be liable for and shall pay the expense of such examination in accordance with NRS 679B.290.
- 5. To carry out the provisions of this section and except as otherwise provided in subsection 2, the Commissioner may subpoena witnesses, compel their attendance, administer oaths, examine any person under oath concerning the subject of the examination and require the production of any books, papers, records, correspondence or any other documents which the Commissioner deems relevant to the examination. If any person fails to obey a subpoena or refuses to testify as to any matter relating to the subject of the examination, the Commissioner may file a written report describing the refusal and proof of service of the subpoena in any court of competent jurisdiction in the county in which the examination is being conducted, for such action as the court may determine. Failure by the person to obey an order of the court pursuant to this section is punishable as contempt of court.
- 6. A person subpoenaed under subsection 5 is entitled to witness fees and mileage as allowed for testimony in a court of record. The insurer or affiliate being examined must pay the witness fees and mileage, as well as any other expense incurred in securing the attendance of witnesses for the examination in accordance with NRS 679B.290.
  - **Sec. 29.** NRS 694C.400 is hereby amended to read as follows:
- 694C.400 1. On or before [June 30] March 1 of each year, a captive insurer shall submit to the Commissioner a report of its financial condition. [, as prepared by a certified public accountant.] A captive insurer shall use generally accepted accounting principles and include any useful or necessary modifications or adaptations thereof that have been approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by

the Commissioner. Except as otherwise provided in this section, each association captive insurer, agency captive insurer, rental captive insurer or sponsored captive insurer shall file its report in the form required by NRS 680A.270. The Commissioner shall adopt regulations designating the form in which pure captive insurers must report.

- 2. A pure captive insurer may apply, in writing, for authorization to file its annual report based on a fiscal year that is consistent with the fiscal year of the parent company of the pure captive insurer. If an alternative date is granted  $\frac{1}{2}$ :
- (a) The], *the* annual report is due not later than [180] 60 days after the end of each such fiscal year. [; and

### <del>(b) The]</del>

- 3. A pure captive insurer shall file on or before March 1 of each year such forms as required by the Commissioner by regulation to provide sufficient detail to support its premium tax return filed pursuant to NRS 694C.450.
- [3.] 4. Any captive insurer failing, without just cause beyond the reasonable control of the captive insurer, to file its annual statement as required by subsection 1 shall pay a penalty of \$100 for each day the captive insurer fails to file the report, but not to exceed an aggregate amount of \$3,000, to be recovered in the name of the State of Nevada by the Attorney General.
- [4.] 5. Any director, officer, agent or employee of a captive insurer who subscribes to, makes or concurs in making or publishing, any annual or other statement required by law, knowing the same to contain any material statement which is false, is guilty of a gross misdemeanor.
  - **Sec. 30.** NRS 695E.080 is hereby amended to read as follows:
- 695E.080 "Plan of operation" means an analysis of the expected activities and results of a risk retention group, including:
- 1. The coverages, deductibles, limits of coverage, rates and systems of rating classification for each line of insurance the group intends to offer;
- 2. Historical and expected loss experience of the proposed members, and national experience of similar exposures to the extent that this experience is reasonably available;
  - 3. Pro forma financial statements and projections;
- 4. Appropriate opinions by a qualified, independent casualty actuary, including a determination of minimum premium or participation levels required to commence operations and to prevent a hazardous financial condition;
- 5. Identification of management, underwriting procedures, policies for investment and methods for managerial oversight; [and]

- 6. Identification of each state in which the group has obtained, or sought to obtain, a charter and a license, and a description of the status of the group in each of those states;
- 7. Information that is deemed sufficient by the Commissioner to verify that members of the group are engaged in business activities similar or related with respect to the liability to which they are exposed because of any related, similar or common business, trade, product, service, premise or operation; and
- **8.** Such other matters as are prescribed by the Commissioner for liability insurers authorized by the insurance laws of the state in which the risk retention group is chartered.
  - **Sec. 31.** NRS 695E.120 is hereby amended to read as follows:
- 695E.120 A purchasing group that intends to conduct business in this state shall register with the Commissioner and:
  - 1. Furnish notice to the Commissioner that:
  - (a) Identifies the state in which the group is domiciled;
- (b) Specifies the lines and classifications of liability insurance that the purchasing group intends to purchase;
- (c) Identifies the insurer from which the group intends to purchase its insurance and the domicile of the insurer:
  - (d) Identifies the principal place of business of the group;
- (e) Identifies all other states in which the group intends to do business; <del>[and]</del>
- (f) Specifies the method by which insurance will be offered to its members whose risks are resident, located or to be performed in this State;
- (g) Provides the name, address and telephone number of each person, if any, through whom insurance will be offered to its members whose risks are resident, located or to be performed in this State; and
- (h) Provides such other information as the Commissioner requires to verify and determine:
  - (1) Its qualification as a purchasing group;
  - (2) Where the purchasing group is located; and
  - (3) The appropriate tax treatment of the purchasing group; and
- 2. Appoint the Commissioner as its agent solely to receive service of legal process, and pay the fee for filing a power of attorney required by subsection 4 of NRS 680B.010, except that this subsection does not apply to a purchasing group that:
- (a) Was domiciled before April 1, 1986, and on and after October 27, 1986, in any state;
- (b) Before and after October 27, 1986, purchased its insurance from an insurer licensed in any state;

- (c) Was a purchasing group under the requirements of the Product Liability Risk Retention Act of 1981 before October 27, 1986; and
- (d) Does not purchase insurance that was not authorized for an exemption under that act, as in effect before October 27, 1986.
  - **Sec. 32.** NRS 695E.140 is hereby amended to read as follows:
- 695E.140 1. A risk retention group seeking to be chartered in this State must obtain a certificate of authority pursuant to chapter 694C of NRS to transact liability insurance and, except as otherwise provided in this chapter, must comply with:
- (a) All of the laws, regulations and requirements applicable to liability insurers in this State [;], unless otherwise approved by the Commissioner; and
- (b) The provisions of NRS 695E.150 to 695E.210, inclusive, to the extent that those provisions do not limit or conflict with the provisions with which the group is required to comply pursuant to paragraph (a).
- 2. A risk retention group applying to be chartered in this State must submit to the Commissioner in summary form:
  - (a) The identities of:
    - (1) All members of the group;
    - (2) All organizers of the group;
- (3) Those persons who will provide administrative services to the group; and
- (4) Any person who will influence or control the activities of the group;
  - (b) The amount and nature of initial capitalization of the group;
  - (c) The coverages to be offered by the group; and
  - (d) Each state in which the group intends to operate.
- 3. Before it may transact insurance in any state, the risk retention group must submit to the Commissioner for approval by the Commissioner a plan of operation. The risk retention group shall submit an appropriate revision in the event of any subsequent material change in any item of the plan of operation within 10 days after the change. The group shall not offer any additional kinds of liability insurance, in this State or in any other state, until a revision of the plan is approved by the Commissioner.
- [3.] 4. A risk retention group chartered in this State must file with the Commissioner on or before February 1 of each year a statement containing information concerning the immediately preceding year, which must be:
- (a) Submitted in a form prescribed by the National Association of Insurance Commissioners;
- (b) Prepared in accordance with the <u>Accounting Practices and</u> <u>Procedures Manual</u> adopted by the National Association of Insurance

Commissioners and effective on January 1, 2001, and as amended by the National Association of Insurance Commissioners after that date; and

- (c) Submitted on a diskette, if required by the Commissioner.
- 5. The Commissioner shall transmit to the National Association of Insurance Commissioners a copy of:
- (a) All information submitted by a risk retention group to the Commissioner pursuant to subsections 2 and 4; and
- (b) Any revisions to a plan of operation submitted to the Commissioner pursuant to subsection 3.
- 6. A risk retention group chartered in a state other than Nevada that is seeking to transact insurance as a risk retention group in this State must comply with the provisions of NRS 695E.150 to 695E.210, inclusive.
  - **Sec. 33.** NRS 695E.150 is hereby amended to read as follows:
- 695E.150 *1.* Before transacting insurance in this state, a risk retention group must submit to the Commissioner:
  - [1.] (a) A statement of registration identifying:
- $\{(a)\}$  (1) Each state in which the risk retention group is chartered or licensed as a liability insurer;
  - [(b)] (2) The date of its charter;
  - [(e)] (3) Its principal place of business; and
- [(d)] (4) Such other information, including information concerning its membership, as the Commissioner requires to verify its qualification as a risk retention group;
- [2.] (b) A copy of its plan of operation and any revisions of the plan submitted to its state of domicile, except with respect to any line or classification of liability that was:
- [(a)] (1) Defined in the Product Liability Risk Retention Act of 1981 before October 27, 1986; and
- [(b)] (2) Offered before that date by a risk retention group that had been chartered and operating for not less than 3 years before that date; and
- [3.] (c) A statement appointing the Commissioner as its agent for service of process pursuant to NRS 680A.250, together with the fee for filing a power of attorney required by subsection 4 of NRS 680B.010.
- 2. The Commissioner shall, upon receipt of any revisions of a plan of operation provided by a risk retention group pursuant to paragraph (b) of subsection 1, transmit a copy of those revisions to the National Association of Insurance Commissioners.
  - **Sec. 34.** NRS 695E.170 is hereby amended to read as follows:
- 695E.170 1. A risk retention group and its agents and representatives are subject to the provisions of NRS 686A.010 to 686A.310, inclusive. Any injunction obtained pursuant to those sections must be obtained from a court of competent jurisdiction.

- 2. All premiums paid for coverages within this state to a risk retention group are subject to the provisions of chapter 680B of NRS. Each risk retention group shall report all premiums paid to it and shall pay the taxes on premiums and any related fines or penalties for risks resident, located or to be performed in the state.
- 3. Any person acting as an agent or a broker for a risk retention group pursuant to NRS 695E.210 shall:
- (a) Report to the Commissioner each premium for direct business for risks resident, located or to be performed in this State which the person has placed with or on behalf of a risk retention group that is not chartered in this State.
- (b) Maintain a complete and separate record of each policy obtained from each risk retention group. Each record maintained pursuant to this subsection must be made available upon request by the Commissioner for examination pursuant to NRS 679B.240, and must include, for each policy and each kind of insurance provided therein:
  - (1) The limit of liability;
  - (2) The period covered;
  - (3) The effective date;
  - (4) The name of the risk retention group which issued the policy;
  - (5) The gross annual premium charged; and
  - (6) The amount of return premiums, if any.
- 4. As used in this section, "premiums for direct business" means any premium written in this State for a policy of insurance. The term does not include any premium for reinsurance or for a contract between members of a risk retention group.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 456.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 477.

AN ACT relating to health care; [requiring that advertisements for health eare services include certain information;] requiring [certain] a health care [professionals] professional to [communicate certain information to the public;] wear a name tag indicating his or her licensure or certification under certain circumstances; limiting the use of the term "board certified" by certain health care professionals; providing that a health care professional

is subject to disciplinary action under certain circumstances; [providing for the submission to the State Board of Health of certain proposals for the modification of the scope of practice of a health care profession;] and providing other matters properly relating thereto.

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

Section 2 of this bill requires that an advertisement for health care services identify the type of license or certification held by each health care professional named in the advertisement. Such an advertisement must not include any deceptive or misleading information regarding a health care professional. Section 2 further This bill requires a health care professional [who provides] to wear a name tag indicating his or her licensure or certification while providing health care services fin this State to provide information concerning his or her license or certification to all current and prospective patients by: (1) conspicuously displaying in each office in which the health care professional practices a written patient disclosure statement that clearly identifies the type of license or certification he or she holds: and (2) if the health care professional wears a name tag while delivering health care services, including his or her licensure or certification on the tag-Section 2] in a health care facility. This bill also prohibits a health care professional who is a physician or osteopathic physician from using the term "board certified" unless he or she discloses the name of the board by which he or she is certified and the board: (1) is a member board of the American Board of Medical Specialties or the American Osteopathic Association; or (2) meets certain other requirements. [Section 2] This bill further provides that a health care professional who violates [an advertising or patient disclosure requirement the provisions of this bill is subject to disciplinary action.

[Section 3 of this bill authorizes a person, regulatory body or other entity acting on behalf of a health care profession that proposes to modify the scope of practice of the health care profession to submit a written proposal to the State Board of Health. Section 3 requires that the proposal contain information and requires the Board to meet certain notice and publication requirements upon receiving a proposal. Section 3 requires the Board to appoint a committee to conduct a hearing for the purpose of examining and investigating each proposal received by the Board. Section 3 further requires the committee to submit a report containing the findings and recommendations of the committee to the proponent, certain regulatory bodies and the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature.]

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

- **Section 1.** Chapter 629 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.
  - Sec. 2. 1. Except as otherwise provided in subsection 2:
- (a) [An advertisement for health care services that names a health care professional must identify the type of license or certification held by the health care professional and must not contain any deceptive or misleading information.
- (b) A health care professional who provides health care services in this State shall provide to all current and prospective patients information which identifies the type of license or certificate held by the health care professional. Such information must be provided by, without limitation:
- (1) A written patient disclosure statement which is conspicuously displayed in the office of the health care professional and which clearly identifies the type of license or certificate held by the health care professional. The writing must be of sufficient size to be visible and apparent to all current and prospective patients.
- (2) If the A health care professional [wears a name tag] shall, during the course of providing health care services f, an indication of in a health care facility, wear a name tag which indicates his or her specific licensure or certification. [on the name tag.]
- (c) A health care professional who practices in more than one office shall comply with the requirements set forth in this section in each office in which he or she practices.
- —(d)] (b) A physician or osteopathic physician shall not hold himself or herself out to the public as board certified in a specialty or subspecialty unless the physician or osteopathic physician discloses the full and correct name of the board by which he or she is certified, and the board:
- (1) Is a member board of the American Board of Medical Specialties or the American Osteopathic Association; or
  - (2) Requires for certification in a specialty or subspecialty:
- (I) [A] Successful completion of a postgraduate training program [that] which is approved by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association and which provides complete training in the specialty or subspecialty;
- (II) Prerequisite certification by the American Board of Medical Specialties or the American Osteopathic Association in the specialty or subspecialty; and
- (III) Successful completion of an examination in the specialty or subspecialty.
- F→An advertisement for health care services must not include a statement that a physician or osteopathic physician is board certified in a specialty or

subspecialty unless the physician or osteopathic physician satisfies the requirements of this paragraph.

- (e) If an advertisement for health care services is in writing, the information concerning licensure and board certification that is required pursuant to this section must be prominently displayed in the advertisement using a font size and style to make the information readily apparent.
- —(f)] (c) A health care professional who violates any provision of this section is guilty of unprofessional conduct and is subject to disciplinary action by the board, agency or other entity in this State by which he or she is licensed, certified or regulated.
  - 2. The provisions of this section do not apply to:
  - (a) A veterinarian or other person licensed under chapter 638 of NRS.
- (b) A person who works in or is licensed to operate, conduct, issue a report from or maintain a medical laboratory under chapter 652 of NRS, unless the person provides services directly to a patient or the public.
  - 3. As used in this section:
- (a) ["Advertisement" means any printed, electronic or oral communication or statement that names a health care professional in relation to the practice, profession or institution in which the health care professional is employed, volunteers or otherwise provides health care services. The term includes, without limitation, any business card, letterhead, patient brochure, pamphlet, newsletter, telephone directory, electronic mail, Internet website, physician database, audio or video transmission, direct patient solicitation, billboard and any other communication or statement used in the course of business.
- (b) "Deceptive or misleading information" means any information that falsely describes or misrepresents the profession, skills, training, expertise, education, board certification or licensure of a health care professional.

  (c) "Health care facility" has the meaning ascribed to it in
- <del>(e)]</del> "Health care facility" has the meaning ascribed to it in NRS 449.2414.
- (b) "Health care professional" means any person who engages in acts related to the treatment of human ailments or conditions and who is subject to licensure, certification or regulation by the provisions of this title.
- $\frac{(d)}{(c)}$  "Medical laboratory" has the meaning ascribed to it in NRS 652.060.
- [(e)] (d) "Osteopathic physician" has the meaning ascribed to it in NRS 633.091.
  - $\frac{f(f)}{g(e)}$  "Physician" has the meaning ascribed to it in NRS 630.014.
- Sec. 3. [1. Any person, regulatory body or other entity acting on behalf of a health care profession that proposes to modify the scope of

practice of the health care profession may submit a written proposal to the State Board of Health not later than July 1 of any even-numbered year.

- 2. A proposal submitted pursuant to subsection 1 must include:
- (a) A general description of the proposed modification to the scope of practice;
- (b) A description of the public health and safety benefits that will be achieved if the proposal were approved and, if applicable, a description of any harm to public health and safety if the proposal were denied:
- -(c) A description of the impact that the modification of the scope of practice will have on public access to health care;
- (d) A summary of any applicable state or federal laws or regulations governing the scope of practice of the health care profession;
- (e) A description of the current educational, training and examination requirements applicable to the health care profession;
- (f) A summary of any known changes to the scope of practice of the health care profession during the 5 years immediately preceding the submission of the proposal;
- -(g) A statement of the anticipated economic impact of the modification of the scope of practice on the delivery of health care in this State:
- (h) A description of any regional and national trends concerning the scope of practice of the health care profession:
- —(i) The identification of any health care professions that can reasonably be anticipated to be directly impacted by the proposal, the nature of the impact and any efforts made by the applicant to address any such impact; and
- -(j) A description of how the proposal relates to the ability of a health care professional to practice to the full extent of his or her education or training within a health care profession.
- -3. Not later than 30 days after receiving a proposal pursuant to subsection 1, the State Board of Health shall:
- (a) Provide written notice of the proposal to:
- (1) The Director of the Legislative Counsel Bureau for transmission to the appropriate interim legislative committee with jurisdiction over the subject matter of the proposal; and
- (2) Each regulatory body to which the proposal is applicable.
- -(b) Publish a copy of the proposal on the Internet website maintained by the State Board of Health.
- (e) Appoint a committee to examine and investigate the proposal. The committee must consist of six appointed members and one member of the State Board of Health, who shall serve as chair of the committee. The chair of the committee must not be a member of any health care profession whose scope of practice is the subject of the proposal. The State Board of

Health shall ensure that the composition of the committee is fair, impartial and equitable. The State Board of Health shall not appoint to the committee more than two members of the same health care profession.

- 4. Not later than 30 days after the State Board of Health satisfies the notice and publication requirements of subsection 3, any person, regulatory body or other entity acting on behalf of a health care profession that may be directly impacted by a proposal submitted pursuant to subsection I may submit to the State Board of Health an impact statement identifying the nature of the impact on the health care profession. Upon receiving an impact statement, the State Board of Health shall provide a copy of the impact statement to the person, regulatory body or entity that submitted the proposal and shall provide notice of and publish the impact statement in the same manner prescribed for publication of a proposal by subsection 3. The person, regulatory body or entity that submitted the proposal may submit to the State Board of Health a written response to any impact statement received or published pursuant to this subsection.
- 5. A committee appointed pursuant to paragraph (e) of subsection 3 shall conduct a hearing on or before October 31 of the year of its appointment to examine and investigate the proposal for which it was appointed and to receive any testimony or other evidence related to the proposal. A committee shall conduct a hearing pursuant to this subsection in accordance with the applicable provisions of chapter 241 of NRS governing the meetings of state and local agencies.
- -6. A committee that conducts a hearing pursuant to subsection 5 shall, on or before December 31 of the year of its appointment, submit a report of the findings and recommendations of the committee to the State Board of Health for transmittal to:
- (a) The person, regulatory body or entity that submitted the proposal;
- -(b) Each regulatory body to which the report is applicable; and
- -(c) The Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature.
- 7. As used in this section:
- (a) "Health care profession" means a profession regulated by a regulatory body.
- (b) "Health care professional" has the meaning ascribed to it in paragraph (c) of subsection 3 of section 2 of this act.
- (c) "Regulatory body" means:
- (1) Any state agency, board or commission which has the authority to regulate a health care professional; and
- (2) Any officer of a state agency, board or commission which has the authority to regulate a health care professional.] (Deleted by amendment.)

**Sec. 4.** This act becomes effective on January 1, 2014.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

GENERAL FILE AND THIRD READING

Assembly Bill No. 358.

Bill read third time.

The following amendment was proposed by Assemblyman Frierson:

Amendment No. 522.

## [ASSEMBLYMAN] ASSEMBLYMEN Ohrenschall AND BUSTAMANTE ADAMS

AN ACT relating to domestic relations; enacting the Uniform Deployed Parents Custody and Visitation Act; repealing provisions governing custody and visitation orders concerning children of members of the military; and providing other matters properly relating thereto.

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

Existing law contains provisions governing the custody and visitation of a child when a parent or legal guardian of the child receives military deployment orders. (NRS 125C.100-125C.185) This bill repeals those provisions and enacts the Uniform Deployed Parents Custody and Visitation Act adopted by the Uniform Law Commission.

Section 23 of this bill sets forth the circumstances under which a court of this State has jurisdiction to issue orders concerning the custodial responsibility of a child when a parent or other custodian of the child has received military deployment orders. Section 24 of this bill provides for notice of a pending deployment to the other parent and the provision of a plan for fulfilling the custodial responsibility of each parent during the deployment. Section 25 of this bill requires a person to whom custodial responsibility for a child has been assigned or granted during a deployment to notify the deploying parent of a change of his or her mailing address. Section 26 of this bill governs the manner in which a court considers the past or possible future deployment of a parent in a proceeding for custodial responsibility of the child.

Sections 27-31 of this bill provide procedures for out-of-court resolution of issues relating to the custodial responsibility of a child which arise upon the deployment of a service member. Section 27 provides for a temporary agreement granting custodial responsibility during deployment. Section 29 authorizes the modification of a temporary agreement regarding custodial responsibility. Section 30 provides for a grant of custodial responsibility to a nonparent of the child under certain circumstances.

Sections 32-41 of this bill provide for a judicial resolution of issues that arise when the parents of a child do not reach an agreement concerning the custody or visitation of a child during the deployment of one parent. Section 33 requires an expedited hearing if a motion to grant custodial responsibility is filed before a deploying parent deploys. Section 34 authorizes a party or witness who is not reasonably available to appear personally in court to provide testimony and present evidence by electronic means, unless the court finds good cause to require a personal appearance. Section 35 establishes certain rules that apply in a proceeding to grant custodial responsibility during the deployment of a parent. Section 36 authorizes the court to grant caretaking authority of a child to a nonparent under certain circumstances and requires the court to consider certain factors in determining whether to grant caretaking authority. Section 38 provides that a grant by a court of custodial responsibility or caretaking authority is temporary.

Sections 42-45 of this bill set forth the procedures governing the termination of a temporary custody arrangement following the return from deployment of a deployed parent. Section 42 provides the procedure for terminating a temporary custody arrangement established by an agreement of the parties. Section 43 establishes a consent procedure for terminating a temporary custody arrangement established by court order. Under section 45, if no agreement to terminate a temporary custody arrangement established by court order is reached between the parents, the order terminates 60 days after the date on which the deploying parent gives notice of having returned from deployment to the other parent or to any nonparent granted custodial responsibility. Section 45.5 of this bill authorizes an expedited hearing concerning custody or visitation under certain circumstances following the deploying parent's return from deployment.

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

**Section 1.** NRS 125.510 is hereby amended to read as follows:

- 125.510 1. In determining the custody of a minor child in an action brought pursuant to this chapter, the court may, except as otherwise provided in this section [, NRS 125C.100 to 125C.185, inclusive,], sections 2 to 48, inclusive, of this act and chapter 130 of NRS:
- (a) During the pendency of the action, at the final hearing or at any time thereafter during the minority of any of the children of the marriage, make such an order for the custody, care, education, maintenance and support of the minor children as appears in their best interest; and
- (b) At any time modify or vacate its order, even if the divorce was obtained by default without an appearance in the action by one of the parties.

- → The party seeking such an order shall submit to the jurisdiction of the court for the purposes of this subsection. The court may make such an order upon the application of one of the parties or the legal guardian of the minor.
- 2. Any order for joint custody may be modified or terminated by the court upon the petition of one or both parents or on the court's own motion if it is shown that the best interest of the child requires the modification or termination. The court shall state in its decision the reasons for the order of modification or termination if either parent opposes it.
- 3. Any order for custody of a minor child or children of a marriage entered by a court of another state may, subject to the provisions of [NRS 125C.100 to 125C.185, inclusive,] sections 2 to 48, inclusive, of this act and to the jurisdictional requirements in chapter 125A of NRS, be modified at any time to an order of joint custody.
  - 4. A party may proceed pursuant to this section without counsel.
- 5. Any order awarding a party a limited right of custody to a child must define that right with sufficient particularity to ensure that the rights of the parties can be properly enforced and that the best interest of the child is achieved. The order must include all specific times and other terms of the limited right of custody. As used in this subsection, "sufficient particularity" means a statement of the rights in absolute terms and not by the use of the term "reasonable" or other similar term which is susceptible to different interpretations by the parties.
- 6. All orders authorized by this section must be made in accordance with the provisions of chapter 125A of NRS and [NRS 125C.100 to 125C.185, inclusive,] sections 2 to 48, inclusive, of this act, and must contain the following language:
- PENALTY FOR VIOLATION OF ORDER: THE ABDUCTION, CONCEALMENT OR DETENTION OF A CHILD IN VIOLATION OF THIS ORDER IS PUNISHABLE AS A CATEGORY D FELONY AS PROVIDED IN NRS 193.130. NRS 200.359 provides that every person having a limited right of custody to a child or any parent having no right of custody to the child who willfully detains, conceals or removes the child from a parent, guardian or other person having lawful custody or a right of visitation of the child in violation of an order of this court, or removes the child from the jurisdiction of the court without the consent of either the court or all persons who have the right to custody or visitation is subject to being punished for a category D felony as provided in NRS 193.130.
- 7. In addition to the language required pursuant to subsection 6, all orders authorized by this section must specify that the terms of the Hague Convention of October 25, 1980, adopted by the 14th Session of the Hague Conference on Private International Law, apply if a parent abducts or wrongfully retains a child in a foreign country.

- 8. If a parent of the child lives in a foreign country or has significant commitments in a foreign country:
- (a) The parties may agree, and the court shall include in the order for custody of the child, that the United States is the country of habitual residence of the child for the purposes of applying the terms of the Hague Convention as set forth in subsection 7.
- (b) Upon motion of one of the parties, the court may order the parent to post a bond if the court determines that the parent poses an imminent risk of wrongfully removing or concealing the child outside the country of habitual residence. The bond must be in an amount determined by the court and may be used only to pay for the cost of locating the child and returning the child to his or her habitual residence if the child is wrongfully removed from or concealed outside the country of habitual residence. The fact that a parent has significant commitments in a foreign country does not create a presumption that the parent poses an imminent risk of wrongfully removing or concealing the child.
- 9. Except where a contract providing otherwise has been executed pursuant to NRS 123.080, the obligation for care, education, maintenance and support of any minor child created by any order entered pursuant to this section ceases:
  - (a) Upon the death of the person to whom the order was directed; or
- (b) When the child reaches 18 years of age if the child is no longer enrolled in high school, otherwise, when the child reaches 19 years of age.
- 10. As used in this section, a parent has "significant commitments in a foreign country" if the parent:
  - (a) Is a citizen of a foreign country;
  - (b) Possesses a passport in his or her name from a foreign country;
- (c) Became a citizen of the United States after marrying the other parent of the child; or
  - (d) Frequently travels to a foreign country.
- **Sec. 2.** Chapter 125C of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 48, inclusive, of this act.
- Sec. 3. Sections 3 to 48, inclusive, of this act may be cited as the Uniform Deployed Parents Custody and Visitation Act.
- Sec. 4. As used in sections 3 to 48, inclusive, of this act unless the context otherwise requires, the words and terms defined in sections 5 to 22, inclusive, of this act have the meanings ascribed to them in those sections.
- Sec. 5. "Adult" means a person who is at least 18 years of age or an emancipated minor.
- Sec. 6. "Caretaking authority" means the right to live with and care for a child on a day-to-day basis, including physical custody, parenting time, right to access and visitation.

Sec. 7. "Child" means:

- 1. An unemancipated minor who has not attained 18 years of age; or
- 2. An adult son or daughter by birth or adoption, or under the laws of this State other than sections 3 to 48, inclusive, of this act, who is the subject of an existing court order concerning custodial responsibility.
- Sec. 8. "Close and substantial relationship" means a relationship in which a significant bond exists between a child and a nonparent.
- Sec. 9. "Court" means an entity authorized under the laws of this State other than sections 3 to 48, inclusive, of this act to establish, enforce or modify a decision regarding custodial responsibility.
- Sec. 10. "Custodial responsibility" is a comprehensive term that includes any and all powers and duties relating to caretaking authority and decision-making authority for a child. The term includes custody, physical custody, legal custody, parenting time, right to access, visitation and the authority to designate limited contact with a child.
- Sec. 11. "Decision-making authority" means the power to make important decisions regarding a child, including decisions regarding the child's education, religious training, health care, extracurricular activities and travel. The term does not include day-to-day decisions that necessarily accompany a grant of caretaking authority.
- Sec. 12. "Deploying parent" means a service member, who is deployed or has been notified of impending deployment, and is:
- 1. A parent of a child under the laws of this State other than sections 3 to 48, inclusive, of this act; or
- 2. A person other than a parent who has custodial responsibility of a child under the laws of this State other than sections 3 to 48, inclusive, of this act.
- Sec. 13. "Deployment" means the movement or mobilization of a service member to a location for more than 90 days but less than 18 months pursuant to an official order that:
  - 1. Is designated as unaccompanied;
  - 2. Does not authorize dependent travel; or
- 3. Otherwise does not permit the movement of family members to that location.
- Sec. 14. "Family member" includes a sibling, aunt, uncle, cousin, stepparent or grandparent of a child, and a person recognized to be in a familial relationship with a child under the laws of this State other than sections 3 to 48, inclusive, of this act.
- Sec. 15. "Limited contact" means the opportunity for a nonparent to visit with a child for a limited period of time. The term includes authority to take the child to a place other than the residence of the child.

- Sec. 16. "Nonparent" means a person other than a deploying parent or other parent.
- Sec. 17. "Other parent" means a person who, in common with a deploying parent, is:
- 1. The parent of a child under the laws of this State other than sections 3 to 48, inclusive, of this act; or
- 2. A person other than a parent with custodial responsibility of a child under the laws of this State other than sections 3 to 48, inclusive, of this act.
- Sec. 18. "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.
- Sec. 19. "Return from deployment" means the conclusion of a service member's deployment as specified in uniformed service orders.
  - Sec. 20. "Service member" means a member of a uniformed service.
- Sec. 21. "State" means a state of the United States, the District of Columbia, Puerto Rico and the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.
  - Sec. 22. "Uniformed service" means:
- 1. Active and reserve components of the Army, Navy, Air Force, Marine Corps or Coast Guard of the United States;
- 2. The Merchant Marine, the Commissioned Corps of the Public Health Service or the Commissioned Corps of the National Oceanic and Atmospheric Administration of the United States; or
  - 3. The National Guard.
- Sec. 23. 1. A court may issue an order regarding custodial responsibility under sections 3 to 48, inclusive of this act only if the court has jurisdiction pursuant to chapter 125A of NRS. If the court has issued a temporary order regarding custodial responsibility pursuant to sections 32 to 41, inclusive, of this act, the residence of the deploying parent is not changed by reason of the deployment for the purposes of chapter 125A of NRS during the deployment.
- 2. If a court has issued a permanent order regarding custodial responsibility before notice of deployment and the parents modify that order temporarily by agreement pursuant to sections 27 to 31, inclusive, of this act, the residence of the deploying parent is not changed by reason of the deployment for the purposes of chapter 125A of NRS.
- 3. If a court in another state has issued a temporary order regarding custodial responsibility as a result of impending or current deployment, the residence of the deploying parent is not changed by reason of the deployment for the purposes of chapter 125A of NRS.

- 4. This section does not prohibit the exercise of temporary emergency jurisdiction by a court under chapter 125A of NRS.
- Sec. 24. 1. Except as otherwise provided in subsection 4, and subject to subsection 3, a deploying parent shall notify in a record the other parent of a pending deployment not later than 7 days after receiving notice of deployment unless reasonably prevented from doing so by the circumstances of service. If the circumstances of service prevent such notification within 7 days, such notification must be made as soon as reasonably possible thereafter.
- 2. Except as otherwise provided in subsection 4, and subject to subsection 3, each parent shall in a record provide the other parent with a plan for fulfilling that parent's share of custodial responsibility during deployment as soon as reasonably possible after receiving notice of deployment under subsection 1.
- 3. If an existing court order prohibits disclosure of the address or contact information of the other parent, a notification of deployment under subsection 1, or notification of a plan for custodial responsibility during deployment under subsection 2, may be made only to the issuing court. If the address of the other parent is available to the issuing court, the court shall forward the notification to the other parent. The court shall keep confidential the address or contact information of the other parent.
- 4. Notice in a record is not required if the parents are living in the same residence and there is actual notice of the deployment or plan.
- 5. In a proceeding regarding custodial responsibility between parents, a court may consider the reasonableness of a parent's efforts to comply with this section.
- Sec. 25. 1. Except as otherwise provided in subsection 2, a person to whom custodial responsibility has been assigned or granted during deployment pursuant to sections 27 to 41, inclusive, of this act shall notify the deploying parent and any other person with custodial responsibility of any change of mailing address or residence until the assignment or grant is terminated. The person shall provide the notice to any court that has issued an existing custody or child support order concerning the child.
- 2. If an existing court order prohibits disclosure of the address or contact information of a person to whom custodial responsibility has been assigned or granted, a notification of change of mailing address or residence under subsection 1 may be made only to the court that issued the order. The court shall keep confidential the mailing address or residence of the person to whom custodial responsibility has been assigned or granted.
- Sec. 26. In a proceeding for custodial responsibility of a child of a service member, a court may not consider a parent's past deployment or possible future deployment in itself in determining the best interest of the

child, but may consider any significant impact on the best interest of the child of the parent's past or possible future deployment.

- Sec. 27. 1. The parents of a child may enter into a temporary agreement granting custodial responsibility during deployment.
  - 2. An agreement under subsection 1 must be:
  - (a) In writing; and
- (b) Signed by both parents and any nonparent to whom custodial responsibility is granted.
  - 3. An agreement under subsection 1 may:
- (a) Identify to the extent feasible the destination, duration and conditions of the deployment that is the basis for the agreement;
- (b) Specify the allocation of caretaking authority among the deploying parent, the other parent and any nonparent, if applicable;
- (c) Specify any decision-making authority that accompanies a grant of caretaking authority;
  - (d) Specify any grant of limited contact to a nonparent;
- (e) If the agreement shares custodial responsibility between the other parent and a nonparent, or between two nonparents, provide a process to resolve any dispute that may arise;
- (f) Specify the frequency, duration and means, including electronic means, by which the deploying parent will have contact with the child, any role to be played by the other parent in facilitating the contact and allocation of any costs of communications;
- (g) Specify the contact between the deploying parent and child during the time the deploying parent is on leave or is otherwise available;
- (h) Acknowledge that any party's existing child support obligation cannot be modified by the agreement and that changing the terms of the obligation during deployment requires modification in the appropriate court;
- (i) Provide that the agreement terminates following the deploying parent's return from deployment according to the procedures under sections 42 to 45, inclusive, of this act; and
- (j) If the agreement must be filed pursuant to section 31 of this act, specify which parent shall file the agreement.
- Sec. 28. 1. An agreement under sections 27 to 31, inclusive, of this act is temporary and terminates pursuant to sections 42 to 45, inclusive, of this act following the return from deployment of the deployed parent, unless the agreement has been terminated before that time by court order or modification of the agreement under section 29 of this act. The agreement derives from the parents' custodial responsibility and does not create an independent, continuing right to caretaking authority, decision-

making authority or limited contact in a person to whom custodial responsibility is given.

- 2. A nonparent given caretaking authority, decision-making authority or limited contact by an agreement under sections 27 to 31, inclusive, of this act has standing to enforce the agreement until it has been terminated pursuant to an agreement of the parents under section 29 of this act, under sections 42 to 45, inclusive, of this act or by court order.
- Sec. 29. 1. The parents may modify an agreement regarding custodial responsibility made pursuant to sections 27 to 31, inclusive, of this act by mutual consent.
- 2. If an agreement is modified under subsection 1 before deployment of a deploying parent, the modification must be in writing and signed by both parents and any nonparent who will exercise custodial responsibility under the modified agreement.
- 3. If an agreement is modified under subsection 1 during deployment of a deploying parent, the modification must be agreed to in a record by both parents and any nonparent who will exercise custodial responsibility under the modified agreement.
- Sec. 30. If no other parent possesses custodial responsibility under the laws of this State other than sections 3 to 48, inclusive, of this act, or if an existing court order prohibits contact between the child and the other parent, a deploying parent, by power of attorney, may delegate all or part of custodial responsibility to an adult nonparent for the period of deployment. The power of attorney is revocable by the deploying parent through a revocation of the power of attorney signed by the deploying parent.
- Sec. 31. An agreement or power of attorney made under sections 27 to 30, inclusive, of this act must be filed within a reasonable period of time with any court that has entered an existing order on custodial responsibility or child support concerning the child. The case number and heading of the existing case concerning custodial responsibility or child support must be provided to the court with the agreement or power of attorney.
- Sec. 32. 1. After a deploying parent receives notice of deployment and during the deployment, a court may issue a temporary order granting custodial responsibility unless prohibited by the Servicemembers Civil Relief Act, 50 U.S.C. Appx. §§ 521-522. A court may not issue a permanent order granting custodial responsibility without the consent of the deploying parent.
- 2. At any time after a deploying parent receives notice of deployment, either parent may file a motion regarding custodial responsibility of a child during deployment. The motion must be filed in an existing proceeding for custodial responsibility of the child with jurisdiction under section 23 of this act or, if there is no existing proceeding in a court with jurisdiction

under section 23 of this act, in a new action for granting custodial responsibility during deployment.

- Sec. 33. If a motion to grant custodial responsibility is filed before a deploying parent deploys, the court shall conduct an expedited hearing.
- Sec. 34. In a proceeding brought under sections 32 to 41, inclusive, of this act, a party or witness who is not reasonably available to appear personally may appear and provide testimony and present evidence by electronic means unless the court finds good cause to require a personal appearance.
- Sec. 35. In a proceeding for a grant of custodial responsibility pursuant to sections 32 to 41, inclusive, of this act, the following rules apply:
- 1. A prior judicial order designating custodial responsibility of a child in the event of deployment is binding on the court unless the circumstances meet the requirements of the laws of this State other than sections 3 to 48, inclusive, of this act for modifying a judicial order regarding custodial responsibility.
- 2. The court shall enforce a prior written agreement between the parents for designating custodial responsibility of a child in the event of deployment, including a prior written agreement executed under sections 27 to 31, inclusive, of this act, unless the court finds the agreement contrary to the best interest of the child.
- Sec. 36. 1. On the motion of a deploying parent and in accordance with the laws of this State other than sections 3 to 48, inclusive, of this act, a court may grant caretaking authority of a child to a nonparent who is an adult family member of the child or an adult with whom the child has a close and substantial relationship if it is in the best interest of the child.
- 2. In determining whether to grant caretaking authority of a child to a nonparent pursuant to subsection 1, the court shall consider the following factors:
- (a) The love, affection and other emotional ties existing between the nonparent and the child.
  - (b) The capacity and disposition of the nonparent to:
- (1) Give the child love, affection and guidance and serve as a role model to the child;
- (2) Provide the child with food, clothing and other material needs; and
- (3) Provide the child with health care or alternative health care which is recognized and authorized pursuant to the laws of this State.
- (c) The prior relationship between the nonparent and the child, including, without limitation, whether the child has previously resided with

the nonparent and whether the child was previously included in holidays or family gatherings with the nonparent.

- (d) The moral fitness of the nonparent.
- (e) The mental and physical health of the nonparent.
- (f) The reasonable preference of the child if the child has a preference and if the court determines that the child is of sufficient maturity to express a preference.
- (g) The willingness and ability of the nonparent to facilitate and encourage a close and substantial relationship between the child and his or her deploying parent, other parent and family members.
- (h) The medical and other health needs of the child which are affected by the grant of caretaking authority.
- (i) The support provided by the nonparent, including, without limitation, whether the nonparent has contributed to the financial support of the child.
- (j) Any objection by the other parent to the grant of caretaking authority to a nonparent. In the case of an objection by the other parent, there is a rebuttable presumption that the grant of caretaking authority to a nonparent is not in the best interest of the child. To rebut this presumption, the deploying parent must prove by clear and convincing evidence that the grant of caretaking authority to the nonparent is in the best interest of the child.
- 3. Unless the grant of caretaking authority to a nonparent under subsection 1 is agreed to by the other parent, the grant is limited to an amount of time not greater than:
- (a) The time granted to the deploying parent in an existing permanent custody order, except that the court may add unusual travel time necessary to transport the child; or
- (b) In the absence of an existing permanent custody order, the amount of time that the deploying parent habitually cared for the child before being notified of deployment, except that the court may add unusual travel time necessary to transport the child.
- 4. A court may grant part of the deploying parent's decision-making authority for a child to a nonparent who is an adult family member of the child or an adult with whom the child has a close and substantial relationship if the deploying parent is unable to exercise that authority. When a court grants the authority to a nonparent, the court shall specify the decision-making powers that will and will not be granted, including applicable health, educational and religious decisions.
- Sec. 37. On the motion of a deploying parent and in accordance with the laws of this State other than sections 3 to 48, inclusive, of this act, a court shall grant limited contact with a child to a nonparent who is either a

family member of the child or a person with whom the child has a close and substantial relationship, unless the court finds that the contact would be contrary to the best interest of the child.

- Sec. 38. 1. A grant made pursuant to sections 32 to 41, inclusive, of this act is temporary and terminates pursuant to sections 42 to 45, inclusive, of this act following the return from deployment of the deployed parent, unless the grant has been terminated before that time by court order. The grant does not create an independent, continuing right to caretaking authority, decision-making authority or limited contact in a person to whom it is granted.
- 2. A nonparent granted caretaking authority, decision-making authority or limited contact under sections 32 to 41, inclusive, of this act has standing to enforce the grant until it is terminated under sections 42 to 45, inclusive, of this act or by court order.
- Sec. 39. 1. An order granting custodial responsibility under sections 32 to 41, inclusive, of this act must:
  - (a) Designate the order as temporary; and
- (b) Identify to the extent feasible the destination, duration and conditions of the deployment.
  - 2. If applicable, a temporary order for custodial responsibility must:
- (a) Specify the allocation of caretaking authority, decision-making authority or limited contact among the deploying parent, the other parent and any nonparent;
- (b) If the order divides caretaking or decision-making authority between persons, or grants caretaking authority to one person and limited contact to another, provide a process to resolve any significant dispute that may arise;
- (c) Provide for liberal communication between the deploying parent and the child during deployment, including through electronic means, unless contrary to the best interest of the child, and allocate any costs of communications;
- (d) Provide for liberal contact between the deploying parent and the child during the time the deploying parent is on leave or is otherwise available, unless contrary to the best interest of the child;
- (e) Provide for reasonable contact between the deploying parent and the child following return from deployment until the temporary order is terminated, which may include more time than the deploying parent spent with the child before entry of the temporary order; and
- (f) Provide that the order will terminate following return from deployment according to the procedures under sections 42 to 45, inclusive, of this act.
- Sec. 40. If a court has issued an order granting caretaking authority under sections 32 to 41, inclusive, of this act or an agreement granting

caretaking authority has been executed under sections 27 to 31, inclusive, of this act the court may enter a temporary order for child support consistent with the laws of this State other than sections 3 to 48, inclusive, of this act, if the court has jurisdiction under NRS 130.0902 to 130.802, inclusive.

- Sec. 41. 1. Except for an order in accordance with section 35 of this act or as otherwise provided in subsection 2, and consistent with the Servicemembers Civil Relief Act, 50 U.S.C. Appx. §§ 521-522, on the motion of a deploying or other parent or any nonparent to whom caretaking authority, decision-making authority or limited contact has been granted, the court may modify or terminate a grant of caretaking authority, decision-making authority or limited contact made pursuant to sections 3 to 48, inclusive, of this act if the modification or termination is consistent with sections 32 to 41, inclusive, of this act and the court finds it is in the best interest of the child. Any modification must be temporary and terminates following the conclusion of deployment of the deployed parent according to the procedures under sections 42 to 45, inclusive, of this act unless the grant has been terminated before that time by court order.
- 2. On the motion of a deploying parent, the court shall terminate a grant of limited contact.
- Sec. 42. 1. At any time following return from deployment, a temporary agreement granting custodial responsibility under sections 27 to 31, inclusive, of this act may be terminated by an agreement to terminate signed by the deploying parent and the other parent.
- 2. The temporary agreement granting custodial responsibility terminates:
- (a) If the agreement to terminate specifies a date for termination, on that date; or
- (b) If the agreement to terminate does not specify a date, on the date the agreement to terminate is signed by both parents.
- 3. In the absence of an agreement to terminate, the temporary agreement granting custodial responsibility terminates 60 days after the date of the deploying parent's giving notice to the other parent of having returned from deployment.
- 4. If the temporary agreement granting custodial responsibility was filed with a court pursuant to section 31 of this act, an agreement to terminate the temporary agreement must also be filed with that court within a reasonable period of time after the signing of the agreement. The case number and heading of the existing custodial responsibility or child support case must be provided to the court with the agreement to terminate.
- Sec. 43. At any time following return from deployment, the deploying parent and the other parent may file with the court an agreement to

terminate a temporary order for custodial responsibility issued under sections 32 to 41, inclusive, of this act. After an agreement has been filed, the court shall issue an order terminating the temporary order on the date specified in the agreement. If no date is specified, the court shall issue the order immediately.

- Sec. 44. Following return from deployment of a deploying parent until a temporary agreement or order for custodial responsibility established under sections 27 to 41, inclusive, of this act is terminated, the court shall enter a temporary order granting the deploying parent reasonable contact with the child unless it is contrary to the best interest of the child, even if the time exceeds the time the deploying parent spent with the child before deployment.
- Sec. 45. 1. A temporary order for custodial responsibility issued under sections 32 to 41, inclusive, of this act shall terminate, if no agreement between the parties to terminate a temporary order for custodial responsibility has been filed, 60 days after the date of the deploying parent's giving notice of having returned from deployment to the other parent and any nonparent granted custodial responsibility.
- 2. Any proceedings seeking to prevent termination of a temporary order for custodial responsibility are governed by the laws of this State other than sections 3 to 48, inclusive, of this act.
- Sec. 45.5. The court may, upon a motion alleging immediate danger of irreparable harm to the child, hold an expedited hearing concerning custody or visitation following the deploying parent's return from deployment.
- Sec. 46. In addition to other relief provided by the laws of this State other than sections 3 to 48, inclusive, of this act, if a court finds that a party to a proceeding under sections 3 to 48, inclusive, of this act has acted in bad faith or intentionally failed to comply with sections 3 to 48, inclusive, of this act or a court order issued under sections 3 to 48, inclusive, of this act, the court may assess reasonable attorney's fees and costs of the opposing party and order other appropriate relief.
- Sec. 47. In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.
- Sec. 48. This act modifies, limits and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit or supersede § 101(c) of that act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in § 103(b) of that act, 15 U.S.C. § 7003(b).
- **Sec. 49.** NRS 125C.100, 125C.105, 125C.110, 125C.115, 125C.120, 125C.125, 125C.130, 125C.135, 125C.140, 125C.145, 125C.150, 125C.155,

125C.160, 125C.165, 125C.170, 125C.175, 125C.180 and 125C.185 are hereby repealed.

**Sec. 50.** This act does not affect the validity of a temporary court order concerning custodial responsibility during deployment that was entered before January 1, 2014.

**Sec. 51.** This act becomes effective on January 1, 2014.

### LEADLINES OF REPEALED SECTIONS

125C.100 Definitions.

125C.105 "Custody or visitation order" defined.

125C.110 "Deployment" defined.

125C.115 "Member of the military" defined.

125C.120 "Parent" defined.

125C.125 "Parent who received orders for deployment" defined.

125C.130 "Temporary duty" defined.

125C.135 Provisions not applicable to order for protection against domestic violence.

125C.140 Jurisdiction retained during deployment of parent; deployment not basis to assert inconvenient forum.

125C.145 Court to hold expedited hearing or allow alternative means of presenting testimony and evidence in certain circumstances.

125C.150 Deployment does not warrant permanent modification of order.

125C.155 Expedited hearing to issue temporary order.

125C.160 Temporary modification of order to accommodate deployment of parent; requirements of temporary order.

125C.165 Expiration of temporary order upon completion of parent's deployment; exception.

125C.170 Delegation of visitation rights to family member of parent to be deployed; termination of such rights; effect on ability of family member to seek separate visitation order.

125C.175 Limitation on issuance of final order modifying terms of existing order when parent receives mandatory order for deployment.

125C.180 Costs and attorney's fees.

125C.185 Requirement for parents to cooperate and provide information to each other.

Assemblyman Frierson moved the adoption of the amendment.

Remarks by Assemblyman Frierson.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 374.

Bill read third time.

The following amendment was proposed by Assemblyman Bobzien:

Amendment No. 527.

AN ACT relating to counties; prohibiting, with certain exceptions, a board of county commissioners from regulating or licensing, or requiring a permit or fee relating to, assemblies, events or activities occurring on federal lands; providing, under certain circumstances, that certain requirements and prohibitions relating to assemblies do not apply to assemblies that occur on federal lands; and providing other matters properly relating thereto.

# **Legislative Counsel's Digest:**

Existing law requires each board of county commissioners to adopt an ordinance regulating and licensing outdoor assemblies, requires certain persons to obtain a license for an assembly and prohibits certain conduct and activities relating to certain assemblies. (NRS 244.354, 244.3542, 244.3548)

**Sections 1 and 2** of this bill prohibit, with certain exceptions, a board of county commissioners from regulating, licensing, or requiring any type of permit or fee for organizing, managing or attending, any assembly, event or activity occurring on certain federal land if a federal agency has issued a license or permit, or otherwise authorized, the assembly, event or activity.

Sections 3 and 4 of this bill provide, under certain circumstances, that the licensing requirement for certain assemblies and the prohibition on certain conduct and activities relating to assemblies do not apply to any assembly, event or activity occurring on federal land if a federal agency has issued a license or permit, or otherwise authorized, the assembly, event or activity.

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

**Section 1.** Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

- 1. Except as otherwise provided in subsection 2, a board of county commissioners shall not regulate or license, or require any type of permit or fee for organizing, managing or attending, any assembly, event or activity occurring on federal land if a federal agency has issued a license or permit for the assembly, event or activity or has otherwise authorized the assembly, event or activity.
  - 2. A board of county commissioners may <del>[regulate]</del>:
- (a) Enter into an agreement, with a person or organization which has been issued a license or permit by a federal agency for an assembly, event or activity occurring on federal land, for the county to provide reasonable and necessary law enforcement services for the assembly, event or activity and to receive compensation for the provision of such services; and

- (b) Regulate or license, or require any type of permit or fee for organizing, managing or attending, any assembly, event or activity occurring on federal land that is the subject of a:
  - [(a)] (1) Lease between the Federal Government and the county; or
- [(b)] (2) License for recreational or other public purposes from the Federal Government to the county.
  - **Sec. 2.** NRS 244.354 is hereby amended to read as follows:
- 244.354 [The] Except as otherwise provided in section 1 of this act, the board of county commissioners of each county shall adopt an ordinance regulating and licensing outdoor assemblies. The minimum requirements set forth in NRS 244.354 to 244.3548, inclusive, and section 1 of this act may be incorporated in such ordinance.
  - **Sec. 3.** NRS 244.3542 is hereby amended to read as follows:

244.3542 [Every]

- 1. Except as otherwise provided in subsection 2, every person who permits, maintains, promotes, conducts, advertises, operates, undertakes, organizes, manages, sells or gives away tickets to an actual or reasonably anticipated assembly of 1,000 or more individuals shall obtain a license from the board of county commissioners of the county in which such assembly is proposed, in accordance with the provisions of NRS 244.354 to 244.3548, inclusive [-], and section 1 of this act.
- 2. The provisions of this section do not apply to a person who permits, maintains, promotes, conducts, advertises, operates, undertakes, organizes, manages, sells or gives away tickets to an actual or reasonably anticipated assembly that is held on federal land if:
- (a) A federal agency has issued a license or permit for the assembly or has otherwise authorized the assembly; and
  - (b) The federal land is not the subject of a:
- (1) Lease for recreational or other public purposes between the Federal Government and the county; or
- (2) License for recreational or other public purposes from the Federal Government to the county.
  - **Sec. 4.** NRS 244.3548 is hereby amended to read as follows:

244.3548 [It]

- 1. Except as otherwise provided in subsection 2, it is unlawful for any licensee or any employee, agent or associate of a licensee to:
- [1.] (a) Hold an actual or reasonably anticipated assembly of 1,000 or more persons without first procuring a license to do so.
- [2.] (b) Sell tickets to such an assembly without a license first having been obtained.
- [3.] (c) Hold such an assembly in such a manner as to create a public or private nuisance.

- [4.] (d) Exhibit, show or conduct within the place of such an assembly any obscene, indecent, vulgar or lewd exhibition, show, play, entertainment or exhibit, no matter by what name designated.
- [5.] (e) Allow any person on the premises of the licensed assembly to cause or create a disturbance in, around or near any place of the assembly, by offensive or disorderly conduct.
- [6.] (f) Knowingly allow any person to consume, sell or be in possession of intoxicating liquor while in such assembly except where the consumption or possession is expressly authorized by the board and under the laws of the State of Nevada.
- [7.] (g) Knowingly allow any person at the licensed assembly to use, sell or be in possession of any controlled substance while in, around or near a place of the assembly.
- 2. The provisions of this section do not apply to an assembly, or conduct or activity at or during an assembly, that is held on federal land if:
- (a) A federal agency has issued a license or permit for the assembly or has otherwise authorized the assembly; and
  - (b) The federal land is not the subject of a:
- (1) Lease for recreational or other public purposes between the Federal Government and the county; or
- (2) License for recreational or other public purposes from the Federal Government to the county.
  - **Sec. 5.** This act becomes effective on July 1, 2013.

Assemblyman Bobzien moved the adoption of the amendment.

Remarks by Assemblyman Bobzien.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 172.

Bill read third time.

The following amendment was proposed by Assemblyman Horne:

Amendment No. 511.

AN ACT relating to public works; revising provisions relating to preferences in bidding for contracts for certain public works projects; and providing other matters properly relating thereto.

# **Legislative Counsel's Digest:**

Existing law requires that a contractor, applicant to serve as a construction manager at risk or design-build team that wishes to receive a preference in bidding for a contract for a public work submit an affidavit to the public body sponsoring or financing the public work certifying that: (1) at least 50 percent of all workers employed on the public work will hold a valid Nevada driver's license or identification card; (2) all vehicles used primarily for the public

work will be either registered in this State or partially apportioned to this State; (3) at least 50 percent of all design professionals working on the public work will hold a valid Nevada driver's license or identification card; (4) at least 25 percent of the suppliers of the materials used for the public work will be located in this State unless the public body requires the acquisition of materials or equipment that cannot be obtained from a supplier located in this State; and (5) certain records will be maintained and made available for inspection within this State. (NRS 338.0117) **Section 1** of this bill revises the requirements for such a preference in bidding by: (1) limiting the requirement for design professionals to design-build teams; and (2) eliminating the requirement that a percentage of suppliers of the materials used for the public work be located in this State. Section 1 clarifies that the driver's licenses and identification cards used to satisfy the statutory requirements must be issued by the Department of Motor Vehicles of the State of Nevada. **Section 1** requires a contractor to meet those requirements only if the contractor was awarded the contract for a public work as a result of the preference in bidding. Section 1 restricts who can file a written objection alleging a violation of those requirements to only persons who submitted a bid on the public work.

Existing law prohibits a contractor from being qualified to bid on certain state and local public works if the contractor has failed to comply with certain requirements within the preceding year for a contract for a public work that cost more than \$25,000,000 and prohibits a contractor who has failed to comply with certain requirements for a contract for a public work which exceeds \$5,000,000 from receiving a preference in bidding for public works for 5 years. (NRS 338.1379, 338.1382, 338.1389, 338.1415, 338.147, 408.333) **Sections** [4-8] 3-8 of this bill instead condition those prohibitions on a material breach of a contract for a public work which exceeds \$25,000,000 or \$5,000,000, as applicable.

**Section 9** of this bill provides that the revised requirements for a preference in bidding on a contract for a public work apply to any public work that is first advertised for bid after July 1, 2013. **Section 9** also declares that any contract for such a public work that fails to comply with this bill is void.

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

**Section 1.** NRS 338.0117 is hereby amended to read as follows:

338.0117 1. To qualify to receive a preference in bidding pursuant to subsection 2 of NRS 338.1389, subsection 2 of NRS 338.147, subsection 3 of NRS 338.1693, subsection 3 of NRS 338.1727 or subsection 2 of NRS 408.3886, a contractor, an applicant or a design-build team,

respectively, must submit to the public body sponsoring or financing a public work a signed affidavit which certifies that, for the duration of the project [:], collectively, and not on any specific day:

- (a) At least 50 percent of **[all]** *the* workers employed on the public work, including, without limitation, any employees of the contractor, applicant or design-build team and of any subcontractor engaged on the public work, will hold a valid driver's license or identification card issued by the Department of Motor Vehicles **[:]** *of the State of Nevada*;
  - (b) All vehicles used primarily for the public work will be:
- (1) Registered and partially apportioned to Nevada pursuant to the International Registration Plan, as adopted by the Department of Motor Vehicles pursuant to NRS 706.826; or
  - (2) Registered in this State;
- (c) [At] If applying to receive a preference in bidding pursuant to subsection 3 of NRS 338.1727 or subsection 2 of NRS 408.3886, at least 50 percent of the design professionals working on the public work, including, without limitation, [any] employees of the [contractor, applicant or] designbuild team and of any subcontractor or consultant engaged [on] in the design of the public work, will have a valid driver's license or identification card issued by the Department of Motor Vehicles [;] of the State of Nevada; and
- (d) [At least 25 percent of the suppliers of the materials used for the public work will be located in this State unless the public body requires the acquisition of materials or equipment that cannot be obtained from a supplier located in this State; and
- —(e)] The contractor, applicant or design-build team and any subcontractor engaged on the public work will maintain and make available for inspection within this State his or her records concerning payroll relating to the public work.
- 2. Any contract for a public work *that is* awarded to a contractor, applicant or design-build team who submits the affidavit described in subsection 1 [and who receives] as a result of the contractor, applicant or design-build team receiving a preference in bidding described in subsection 1 must:
- (a) Include a provision in the contract that substantially incorporates the requirements of paragraphs (a) to  $\frac{\{(e), \}}{\{(d), \}}$  (d), inclusive, of subsection 1; and
- (b) Provide that a failure to comply with any requirement of paragraphs (a) to  $\frac{\{(e), \}}{\{d\}}$ , inclusive, of subsection 1  $\frac{\{(e), \}}{\{d\}}$  entitles the public body to  $\frac{\{(e), \}}{\{d\}}$  a penalty only as provided in subsections 5 and 6.
- 3. A person [or entity] who submitted a bid on the public work or an entity who believes that a contractor, applicant or design-build team has

obtained a preference in bidding as described in subsection 1 but has failed to comply with a requirement of paragraphs (a) to  $\frac{\{(e),\}}{\{(e),\}}$  (d), inclusive, of subsection 1 may file, before the substantial completion of the public work, a written objection with the public body for which the contractor, applicant or design-build team is performing the public work. A written objection authorized pursuant to this subsection must set forth proof or substantiating evidence to support the belief of the person or entity that the contractor, applicant or design-build team has failed to comply with a requirement of paragraphs (a) to  $\frac{\{(e),\}}{\{(d),\}}$  (d), inclusive, of subsection 1.

- 4. If a public body receives a written objection pursuant to subsection 3, the public body shall determine whether the objection is accompanied by the proof or substantiating evidence required pursuant to that subsection. If the public body determines that the objection is not accompanied by the required proof or substantiating evidence, the public body shall dismiss the objection. If the public body determines that the objection is accompanied by the required proof or substantiating evidence or if the public body determines on its own initiative that proof or substantiating evidence of a failure to comply with a requirement of paragraphs (a) to  $\frac{1}{(e),1}$  (d), inclusive, of subsection 1 exists, the public body shall determine whether the contractor, applicant or design-build team has failed to comply with a requirement of paragraphs (a) to  $\frac{1}{(e),1}$  (d), inclusive, of subsection 1 and the public body or its authorized representative may proceed to award the contract accordingly or, if the contract has already been awarded, seek the remedy authorized in subsection 5.
- 5. A public body may recover, by civil action against the party responsible for a failure to comply with a requirement of paragraphs (a) to [(e),] (d), inclusive, of subsection 1, [liquidated damages] a penalty as described in subsection 6 for [a breach of a contract for a public work caused by] a failure to comply with a requirement of paragraphs (a) to [(e),] (d), inclusive, of subsection 1. If a public body recovers [liquidated damages] a penalty pursuant to this subsection, [for a breach of a contract for a public work,] the public body shall report to the State Contractors' Board the date of the [breach,] failure to comply, the name of each entity which [breached the contract] failed to comply and the cost of the contract [-] to which the entity that failed to comply was a party. The Board shall maintain this information for not less than 6 years. Upon request, the Board shall provide this information to any public body or its authorized representative.
- 6. If a contractor, applicant or design-build team submits the affidavit described in subsection 1, receives a preference in bidding described in subsection 1 and is awarded the contract [], as a result of that preference, the contract between the contractor, applicant or design-build team and the public body, each contract between the contractor, applicant or design-build

team and a subcontractor [or supplier] and each contract between a subcontractor and a *lower tier* subcontractor [or supplier] must provide that:

- (a) If a party to the contract causes [a material breach of the contract between] the contractor, applicant or design-build team [and the public body as a result of a failure] to fail to comply with a requirement of paragraphs (a) to [(e),] (d), inclusive, of subsection 1, the party is liable to the public body for [liquidated damages] a penalty in the amount of 1 percent of the cost of the largest contract to which he or she is a party;
- (b) The right to recover the amount determined pursuant to paragraph (a) by the public body pursuant to subsection 5 may be enforced by the public body directly against the party that [causes the material breach;] caused the failure to comply with a requirement of paragraphs (a) to (d), inclusive, of subsection 1; and
- (c) No other party to the contract is liable to the public body for [liquidated damages.] a penalty.
- 7. A public body that awards a contract for a public work to a contractor, applicant or design-build team who submits the affidavit described in subsection 1 and who receives a preference in bidding described in subsection 1 shall, on or before July 31 of each year, submit a written report to the Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission. The report must include information on each contract for a public work awarded to a contractor, applicant or design-build team who submits the affidavit described in subsection 1 and who receives a preference in bidding described in subsection 1, including, without limitation, the name of the contractor, applicant or design-build team who was awarded the contract, the cost of the contract, a brief description of the public work and a description of the degree to which the contractor, applicant or design-build team and each subcontractor complied with the requirements of paragraphs (a) to {(e),1} (d), inclusive, of subsection 1.
  - 8. As used in this section:
- (a) "Lower tier subcontractor" means a subcontractor who contracts with another subcontractor to provide labor, materials or services to the other subcontractor for a construction project.
- (b) "Vehicle used primarily for the public work" does not include any vehicle that is present at the site of the public work only occasionally and for a purpose incidental to the public work including, without limitation, the delivery of materials. Notwithstanding the provisions of the paragraph, the term includes any vehicle which is:
- (1) Owned or operated by the contractor or any subcontractor who is engaged on the public work; and
  - (2) Present at the site of the public work.
  - Sec. 2. (Deleted by amendment.)

- **Sec. 3.** [(Deleted by amendment.)] NRS 338.1379 is hereby amended to read as follows:
- 338.1379 1. Except as otherwise provided in NRS 338.1382, a contractor who wishes to qualify as a bidder on a contract for a public work must submit an application to the Division or the local government.
- 2. Upon receipt of an application pursuant to subsection 1, the Division or the local government shall:
- (a) Investigate the applicant to determine whether the applicant is qualified to bid on a contract; and
- (b) After conducting the investigation, determine whether the applicant is qualified to bid on a contract. The determination must be made within 45 days after receipt of the application.
- 3. The Division or the local government shall notify each applicant in writing of its determination. If an application is denied, the notice must set forth the reasons for the denial and inform the applicant of the right to a hearing pursuant to NRS 338.1381.
- 4. The Division or the local government may determine an applicant is qualified to bid:
  - (a) On a specific project; or
- (b) On more than one project over a period of time to be determined by the Division or the local government.
- 5. Except as otherwise provided in subsection 8, the [The] Division shall not use any criteria other than criteria adopted by regulation pursuant to NRS 338.1375 in determining whether to approve or deny an application.
- 6. Except as otherwise provided in subsection 8, the [The] local government shall not use any criteria other than the criteria described in NRS 338.1377 in determining whether to approve or deny an application.
- 7. Except as otherwise provided in NRS 239.0115, financial information and other data pertaining to the net worth of an applicant which is gathered by or provided to the Division or a local government to determine the financial ability of an applicant to perform a contract is confidential and not open to public inspection.
- 8. The Division or the local government shall deny an application and revoke any existing qualification to bid if it finds that the applicant has, within the preceding year, *materially* breached a contract for a public work for which the cost exceeds \$25,000,000. [by failing to comply with a requirement of paragraphs (a) to (e), inclusive, of subsection 1 of NRS 338.0117.]
  - **Sec. 4.** NRS 338.1382 is hereby amended to read as follows:
- 338.1382 In lieu of adopting criteria pursuant to NRS 338.1377 and determining the qualification of bidders pursuant to NRS 338.1379, a governing body may deem a person to be qualified to bid on:

- 1. Contracts for public works of the local government if the person has not, within the preceding year, *materially* breached a contract for a public work for which the cost exceeds \$25,000,000, [by failing to comply with a requirement of paragraphs (a) to (e), inclusive, of subsection 1 of NRS 338.0117,] and has been determined by:
- (a) The Division pursuant to NRS 338.1379 to be qualified to bid on contracts for public works of the State pursuant to criteria adopted pursuant to NRS 338.1375; or
- (b) Another governing body pursuant to NRS 338.1379 to be qualified to bid on contracts for public works of that local government pursuant to the criteria set forth in NRS 338.1377.
  - 2. A contract for a public work of the local government if:
- (a) The person has been determined by the Department of Transportation pursuant to NRS 408.333 to be qualified to bid on the contract for the public work:
- (b) The public work will be owned, operated or maintained by the Department of Transportation after the public work is constructed by the local government; and
- (c) The Department of Transportation requested that bidders on the contract for the public work be qualified to bid on the contract pursuant to NRS 408.333.
  - **Sec. 5.** NRS 338.1389 is hereby amended to read as follows:
- 338.1389 1. Except as otherwise provided in subsection 10 and NRS 338.1385, 338.1386 and 338.13864, a public body or its authorized representative shall award a contract for a public work for which the estimated cost exceeds \$250,000 to the contractor who submits the best bid.
- 2. Except as otherwise provided in subsection 10 or limited by subsection 11, the lowest bid that is:
  - (a) Submitted by a responsive and responsible contractor who:
- (1) Has been determined by the public body to be a qualified bidder pursuant to NRS 338.1379 or 338.1382;
- (2) At the time the contractor submits his or her bid, <del>[has]</del> **provides** a valid certificate of eligibility to receive a preference in bidding on public works issued to the contractor by the State Contractors' Board pursuant to subsection 3 or 4; and
- (3) [At the time the contractor submits his or her bid,] Within 2 hours after the completion of the opening of the bids by the public body or its authorized representative, submits a signed affidavit that meets the requirements of subsection 1 of NRS 338.0117; and
- (b) Not more than 5 percent higher than the bid submitted by the lowest responsive and responsible bidder who:

- (1) Does not [have,] provide, at the time he or she submits the bid, a valid certificate of eligibility to receive a preference in bidding on public works issued to him or her by the State Contractors' Board pursuant to subsection 3 or 4; or
- (2) Does not submit, [at the time he or she submits the bid,] within 2 hours after the completion of the opening of the bids by the public body or its authorized representative, a signed affidavit certifying that he or she will comply with the requirements of paragraphs (a) to [(e),] (d), inclusive, of subsection 1 of NRS 338.0117 for the duration of the contract,
- ⇒ shall be deemed to be the best bid for the purposes of this section.
- 3. The State Contractors' Board shall issue a certificate of eligibility to receive a preference in bidding on public works to a general contractor who is licensed pursuant to the provisions of chapter 624 of NRS and submits to the Board an affidavit from a certified public accountant setting forth that the general contractor has, while licensed as a general contractor in this State:
  - (a) Paid directly, on his or her own behalf:
- (1) The sales and use taxes imposed pursuant to chapters 372, 374 and 377 of NRS on materials used for construction in this State, including, without limitation, construction that is undertaken or carried out on land within the boundaries of this State that is managed by the Federal Government or is on an Indian reservation or Indian colony, of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant;
- (2) The governmental services tax imposed pursuant to chapter 371 of NRS on the vehicles used in the operation of his or her business in this State of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant; or
- (3) Any combination of such sales and use taxes and governmental services tax: or
- (b) Acquired, by purchase, inheritance, gift or transfer through a stock option plan, all the assets and liabilities of a viable, operating construction firm that possesses a:
- (1) License as a general contractor pursuant to the provisions of chapter 624 of NRS; and
- (2) Certificate of eligibility to receive a preference in bidding on public works.
- 4. The State Contractors' Board shall issue a certificate of eligibility to receive a preference in bidding on public works to a specialty contractor who is licensed pursuant to the provisions of chapter 624 of NRS and submits to

the Board an affidavit from a certified public accountant setting forth that the specialty contractor has, while licensed as a specialty contractor in this State:

- (a) Paid directly, on his or her own behalf:
- (1) The sales and use taxes pursuant to chapters 372, 374 and 377 of NRS on materials used for construction in this State, including, without limitation, construction that is undertaken or carried out on land within the boundaries of this State that is managed by the Federal Government or is on an Indian reservation or Indian colony, of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant;
- (2) The governmental services tax imposed pursuant to chapter 371 of NRS on the vehicles used in the operation of his or her business in this State of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant; or
- (3) Any combination of such sales and use taxes and governmental services tax; or
- (b) Acquired, by purchase, inheritance, gift or transfer through a stock option plan, all the assets and liabilities of a viable, operating construction firm that possesses a:
- (1) License as a specialty contractor pursuant to the provisions of chapter 624 of NRS; and
- (2) Certificate of eligibility to receive a preference in bidding on public works.
- 5. For the purposes of complying with the requirements set forth in paragraph (a) of subsection 3 and paragraph (a) of subsection 4, a contractor shall be deemed to have paid:
- (a) Sales and use taxes and governmental services taxes that were paid in this State by an affiliate or parent company of the contractor, if the affiliate or parent company is also a general contractor or specialty contractor, as applicable; and
- (b) Sales and use taxes that were paid in this State by a joint venture in which the contractor is a participant, in proportion to the amount of interest the contractor has in the joint venture.
- 6. A contractor who has received a certificate of eligibility to receive a preference in bidding on public works from the State Contractors' Board pursuant to subsection 3 or 4 shall, at the time for the renewal of his or her contractor's license pursuant to NRS 624.283, submit to the Board an affidavit from a certified public accountant setting forth that the contractor has, during the immediately preceding 12 months, paid the taxes required pursuant to paragraph (a) of subsection 3 or paragraph (a) of subsection 4, as applicable, to maintain eligibility to hold such a certificate.

- 7. A contractor who fails to submit an affidavit to the Board pursuant to subsection 6 ceases to be eligible to receive a preference in bidding on public works unless the contractor reapplies for and receives a certificate of eligibility pursuant to subsection 3 or 4, as applicable.
- 8. If a contractor holds more than one contractor's license, the contractor must submit a separate application for each license pursuant to which the contractor wishes to qualify for a preference in bidding. Upon issuance, the certificate of eligibility to receive a preference in bidding on public works becomes part of the contractor's license for which the contractor submitted the application.
- 9. If a contractor who applies to the State Contractors' Board for a certificate of eligibility to receive a preference in bidding on public works:
- (a) Submits false information to the Board regarding the required payment of taxes, the contractor is not eligible to receive a preference in bidding on public works for a period of 5 years after the date on which the Board becomes aware of the submission of the false information; or
- (b) Is found by the Board to have, within the preceding 5 years, *materially* breached a contract for a public work for which the cost exceeds \$5,000,000, [by failing to comply with a requirement of paragraphs (a) to (e), inclusive, of subsection 1 of NRS 338.0117,] the contractor is not eligible to receive a preference in bidding on public works.
- 10. If any federal statute or regulation precludes the granting of federal assistance or reduces the amount of that assistance for a particular public work because of the provisions of subsection 2, those provisions do not apply insofar as their application would preclude or reduce federal assistance for that work.
- 11. If a bid is submitted by two or more contractors as a joint venture or by one of them as a joint venturer, the bid may [be deemed the best bid] *receive a preference in bidding* only if both or all of the joint venturers separately meet the requirements of subsection 2.
- 12. The State Contractors' Board shall adopt regulations and may assess reasonable fees relating to the certification of contractors for a preference in bidding on public works.
- 13. A person or entity who submitted a bid on the public work and who believes that [a] the contractor who was awarded the contract for the public work wrongfully holds a certificate of eligibility to receive a preference in bidding on public works may challenge the validity of the certificate by filing a written objection with the public body to which the contractor has submitted a bid on a contract for the construction of a public work. A written objection authorized pursuant to this subsection must:

- (a) Set forth proof or substantiating evidence to support the belief of the person or entity that the contractor wrongfully holds a certificate of eligibility to receive a preference in bidding on public works; and
- (b) Be filed with the public body not later than 3 business days after the opening of the bids by the public body or its authorized representative.
- 14. If a public body receives a written objection pursuant to subsection 13, the public body shall determine whether the objection is accompanied by the proof or substantiating evidence required pursuant to paragraph (a) of that subsection. If the public body determines that the objection is not accompanied by the required proof or substantiating evidence, the public body shall dismiss the objection and the public body or its authorized representative may proceed immediately to award the contract. If the public body determines that the objection is accompanied by the required proof or substantiating evidence, the public body shall determine whether the contractor qualifies for the certificate pursuant to the provisions of this section and the public body or its authorized representative may proceed to award the contract accordingly.
  - **Sec. 6.** NRS 338.1415 is hereby amended to read as follows:
- 338.1415 A local government or its authorized representative shall not accept a bid on a contract for a public work if the contractor who submits the bid has, within the preceding year, *materially* breached a contract for a public work for which the cost exceeds \$25,000,000. [by failing to comply with a requirement of paragraphs (a) to (e), inclusive, of subsection 1 of NRS 338.0117.]
  - **Sec. 7.** NRS 338.147 is hereby amended to read as follows:
- 338.147 1. Except as otherwise provided in subsection 10 and NRS 338.143, 338.1442 and 338.1446, a local government or its authorized representative shall award a contract for a public work for which the estimated cost exceeds \$250.000 to the contractor who submits the best bid.
- 2. Except as otherwise provided in subsection 10 or limited by subsection 11, the lowest bid that is:
  - (a) Submitted by a contractor who:
- (1) Has been found to be a responsible and responsive contractor by the local government or its authorized representative;
- (2) At the time the contractor submits his or her bid, <del>[has] provides</del> a valid certificate of eligibility to receive a preference in bidding on public works issued to the contractor by the State Contractors' Board pursuant to subsection 3 or 4; and
- (3) [At the time the contractor submits his or her bid,] Within 2 hours after the completion of the opening of the bids by the local government or its authorized representative, submits a signed affidavit that meets the requirements of subsection 1 of NRS 338.0117; and

- (b) Not more than 5 percent higher than the bid submitted by the lowest responsive and responsible bidder who:
- (1) Does not [have,] provide, at the time he or she submits the bid, a valid certificate of eligibility to receive a preference in bidding on public works issued to him or her by the State Contractors' Board pursuant to subsection 3 or 4; or
- (2) Does not submit, [at the time he or she submits the bid,] within 2 hours after the completion of the opening of the bids by the public body or its authorized representative, a signed affidavit certifying that he or she will comply with the requirements of paragraphs (a) to [(e),] (d), inclusive, of subsection 1 of NRS 338.0117 for the duration of the contract,
- ⇒ shall be deemed to be the best bid for the purposes of this section.
- 3. The State Contractors' Board shall issue a certificate of eligibility to receive a preference in bidding on public works to a general contractor who is licensed pursuant to the provisions of chapter 624 of NRS and submits to the Board an affidavit from a certified public accountant setting forth that the general contractor has, while licensed as a general contractor in this State:
  - (a) Paid directly, on his or her own behalf:
- (1) The sales and use taxes imposed pursuant to chapters 372, 374 and 377 of NRS on materials used for construction in this State, including, without limitation, construction that is undertaken or carried out on land within the boundaries of this State that is managed by the Federal Government or is on an Indian reservation or Indian colony, of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant;
- (2) The governmental services tax imposed pursuant to chapter 371 of NRS on the vehicles used in the operation of his or her business in this State of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant; or
- (3) Any combination of such sales and use taxes and governmental services tax: or
- (b) Acquired, by purchase, inheritance, gift or transfer through a stock option plan, all the assets and liabilities of a viable, operating construction firm that possesses a:
- (1) License as a general contractor pursuant to the provisions of chapter 624 of NRS; and
- (2) Certificate of eligibility to receive a preference in bidding on public works.
- 4. The State Contractors' Board shall issue a certificate of eligibility to receive a preference in bidding on public works to a specialty contractor who

is licensed pursuant to the provisions of chapter 624 of NRS and submits to the Board an affidavit from a certified public accountant setting forth that the specialty contractor has, while licensed as a specialty contractor in this State:

- (a) Paid directly, on his or her own behalf:
- (1) The sales and use taxes pursuant to chapters 372, 374 and 377 of NRS on materials used for construction in this State, including, without limitation, construction that is undertaken or carried out on land within the boundaries of this State that is managed by the Federal Government or is on an Indian reservation or Indian colony, of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant;
- (2) The governmental services tax imposed pursuant to chapter 371 of NRS on the vehicles used in the operation of his or her business in this State of not less than \$5,000 for each consecutive 12-month period for 60 months immediately preceding the submission of the affidavit from the certified public accountant; or
- (3) Any combination of such sales and use taxes and governmental services tax: or
- (b) Acquired, by purchase, inheritance, gift or transfer through a stock option plan, all the assets and liabilities of a viable, operating construction firm that possesses a:
- (1) License as a specialty contractor pursuant to the provisions of chapter 624 of NRS; and
- (2) Certificate of eligibility to receive a preference in bidding on public works.
- 5. For the purposes of complying with the requirements set forth in paragraph (a) of subsection 3 and paragraph (a) of subsection 4, a contractor shall be deemed to have paid:
- (a) Sales and use taxes and governmental services taxes paid in this State by an affiliate or parent company of the contractor, if the affiliate or parent company is also a general contractor or specialty contractor, as applicable; and
- (b) Sales and use taxes paid in this State by a joint venture in which the contractor is a participant, in proportion to the amount of interest the contractor has in the joint venture.
- 6. A contractor who has received a certificate of eligibility to receive a preference in bidding on public works from the State Contractors' Board pursuant to subsection 3 or 4 shall, at the time for the renewal of his or her contractor's license pursuant to NRS 624.283, submit to the Board an affidavit from a certified public accountant setting forth that the contractor has, during the immediately preceding 12 months, paid the taxes required

pursuant to paragraph (a) of subsection 3 or paragraph (a) of subsection 4, as applicable, to maintain eligibility to hold such a certificate.

- 7. A contractor who fails to submit an affidavit to the Board pursuant to subsection 6 ceases to be eligible to receive a preference in bidding on public works unless the contractor reapplies for and receives a certificate of eligibility pursuant to subsection 3 or 4, as applicable.
- 8. If a contractor holds more than one contractor's license, the contractor must submit a separate application for each license pursuant to which the contractor wishes to qualify for a preference in bidding. Upon issuance, the certificate of eligibility to receive a preference in bidding on public works becomes part of the contractor's license for which the contractor submitted the application.
- 9. If a contractor who applies to the State Contractors' Board for a certificate of eligibility to receive a preference in bidding on public works:
- (a) Submits false information to the Board regarding the required payment of taxes, the contractor is not eligible to receive a preference in bidding on public works for a period of 5 years after the date on which the Board becomes aware of the submission of the false information; or
- (b) Is found by the Board to have, within the preceding 5 years, *materially* breached a contract for a public work for which the cost exceeds \$5,000,000, [by failing to comply with a requirement of paragraphs (a) to (e), inclusive, of subsection 1 of NRS 338.0117,] the contractor is not eligible to receive a preference in bidding on public works.
- 10. If any federal statute or regulation precludes the granting of federal assistance or reduces the amount of that assistance for a particular public work because of the provisions of subsection 2, those provisions do not apply insofar as their application would preclude or reduce federal assistance for that work.
- 11. If a bid is submitted by two or more contractors as a joint venture or by one of them as a joint venturer, the bid may [be deemed a best bid] receive a preference in bidding only if both or all of the joint venturers separately meet the requirements of subsection 2.
- 12. The State Contractors' Board shall adopt regulations and may assess reasonable fees relating to the certification of contractors for a preference in bidding on public works.
- 13. A person or entity who submitted a bid on the public work and who believes that [a] the contractor who was awarded the contract for the public work wrongfully holds a certificate of eligibility to receive a preference in bidding on public works may challenge the validity of the certificate by filing a written objection with the local government to which the contractor has submitted a bid on a contract for the construction of a public work. A written objection authorized pursuant to this subsection must:

- (a) Set forth proof or substantiating evidence to support the belief of the person or entity that the contractor wrongfully holds a certificate of eligibility to receive a preference in bidding on public works; and
- (b) Be filed with the local government not later than 3 business days after the opening of the bids by the local government or its authorized representative.
- 14. If a local government receives a written objection pursuant to subsection 13, the local government shall determine whether the objection is accompanied by the proof or substantiating evidence required pursuant to paragraph (a) of that subsection. If the local government determines that the objection is not accompanied by the required proof or substantiating evidence, the local government shall dismiss the objection and the local government or its authorized representative may proceed immediately to award the contract. If the local government determines that the objection is accompanied by the required proof or substantiating evidence, the local government shall determine whether the contractor qualifies for the certificate pursuant to the provisions of this section and the local government or its authorized representative may proceed to award the contract accordingly.
  - **Sec. 8.** NRS 408.333 is hereby amended to read as follows:
- 408.333 Except as otherwise provided in NRS 408.3875 to 408.3887, inclusive:
- 1. Before furnishing any person proposing to bid on any advertised work with the plans and specifications for such work, the Director shall require from the person a statement, verified under oath, in the form of answers to questions contained in a standard form of questionnaire and financial statement, which must include a complete statement of the person's financial ability and experience in performing public work of a similar nature.
- 2. Such statements must be filed with the Director in ample time to permit the Department to verify the information contained therein in advance of furnishing proposal forms, plans and specifications to any person proposing to bid on the advertised public work, in accordance with the regulations of the Department.
- 3. Whenever the Director is not satisfied with the sufficiency of the answers contained in the questionnaire and financial statement, the Director may refuse to furnish the person with plans and specifications and the official proposal forms on the advertised project. If the Director determines that the person has, within the preceding year, *materially* breached a contract for a public work for which the cost exceeds \$25,000,000, [by failing to comply with a requirement of paragraphs (a) to (e), inclusive, of subsection 1 of NRS 338.0117,] the Director shall refuse to furnish the person with plans and specifications and the official proposal forms on the advertised project. Any

bid of any person to whom plans and specifications and the official proposal forms have not been issued in accordance with this section must be disregarded, and the certified check, cash or undertaking of such a bidder returned forthwith.

- 4. Any person who is disqualified by the Director, in accordance with the provisions of this section, may request, in writing, a hearing before the Director and present again the person's check, cash or undertaking and such further evidence with respect to the person's financial responsibility, organization, plant and equipment, or experience, as might tend to justify, in his or her opinion, issuance to him or her of the plans and specifications for the work.
- 5. Such a person may appeal the decision of the Director to the Board no later than 5 days before the opening of the bids on the project. If the appeal is sustained by the Board, the person must be granted the rights and privileges of all other bidders.
- **Sec. 9.** 1. The amendatory provisions of this act apply to all public works for which bids are first advertised after July 1, 2013.
- 2. Any contract awarded for a public work to which the amendatory provisions of this act apply pursuant to subsection 1 and:
- (a) Which was not advertised in compliance with the amendatory provisions of this act;
- (b) For which bids were not accepted in compliance with the amendatory provisions of this act; or
- (c) For which the contract was not awarded in compliance with the amendatory provisions of this act,

## → is void.

3. As used in this section, "contract" and "public work" have the meanings ascribed to them in NRS 338.010.

**Sec. 10.** This act becomes effective on July 1, 2013.

Assemblyman Horne moved the adoption of the amendment.

Remarks by Assemblyman Horne.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 200.

Bill read third time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 520.

AN ACT relating to food establishments; allowing farms to hold farm-tofork events in certain circumstances without being considered a food establishment for purposes of inspections by the health authority and other regulations; requiring such farms to register with the health authority; providing a similar exemption from requirements applicable to a food establishment for certain farms which manufacture or prepare certain food items for sale or which offer or display such food items under certain circumstances; and providing other matters properly relating thereto.

# **Legislative Counsel's Digest:**

Existing law requires a person to obtain a permit to operate a food establishment and to comply with various other requirements in the operation of the food establishment. (NRS 446.870) Existing law defines the term "food establishment" for those purposes and specifically excludes certain entities from the definition, including private homes where the food that is prepared or manufactured in the home is not provided for compensation or other consideration of any kind. (NRS 446.020)

**Section 5** of this bill adds to the list of entities that are excluded from the definition of "food establishment" a farm holding a farm-to-fork event. **Section 2** of this bill defines the term "farm-to-fork event" as an event where prepared food from a farm is provided for immediate consumption by paying guests at the farm. Section 3 of this bill authorizes a farm to hold a farm-tofork event without being subject to the requirements of a food establishment provided that: (1) any rabbit meat or poultry served is raised and prepared on the farm, and is butchered and processed on the farm pursuant to certain permit and inspection requirements of NRS; (2) other food items served are prepared from ingredients substantially produced on the farm; and (3) each guest is provided with and acknowledges receipt of a notice which states that no inspection was conducted by a state or local health department of the farm or the food to be consumed, except as to the butchering and processing of the meat or poultry. Section 3 further provides that a farm which holds more than two events in any month becomes a food establishment subject to all the requirements of a food establishment for the remainder of the calendar year. Section 3.5 requires a farm that wishes to hold farm-to-fork events to register with the health authority by providing certain information and paying a fee. The health authority is prohibited from inspecting the farm, except in certain circumstances. Section 5 also adds to the list of entities that are excluded from the definition of "food establishment" a farm that manufactures or prepares certain food items for sale or which offers or displays for sale or serves those food items under certain circumstances. Section 4 of this bill specifies which food items qualify a farm for that exemption.

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

- **Section 1.** Chapter 446 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3, 3.5 and 4 of this act.
- Sec. 2. "Farm-to-fork event" means an event organized on a farm where prepared food is provided for immediate consumption to paying guests and that meets the requirements of section 3 of this act.
- Sec. 3. 1. [A] Except as otherwise provided in subsection 3, a farm is not a "food establishment" for purposes of holding a farm-to-fork event provided that:
- (a) Any poultry and meat from a rabbit that is served at the farm-to-fork event is raised and prepared on the farm and is butchered and processed on the farm pursuant to the requirements of chapter 583 of NRS; and
- (b) Any other food item that is served at the farm-to-fork event, including, without limitation, salads, side dishes and desserts, are prepared on the farm from ingredients that are substantially produced on the farm.
  - 2. A farm which holds a farm-to-fork event shall:
- (a) Before a guest consumes any food, provide each guest with a notice which states that no inspection was conducted by a state or local health department of the farm or the food to be consumed, except as otherwise provided in subsection 1; and
- (b) Obtain from each guest a signed acknowledgment of receipt of the notice.
- 3. A farm which holds more than two events in any month that would otherwise qualify as farm-to-fork events becomes a food establishment for the remainder of that calendar year subject to all of the requirements of this chapter and any regulations adopted pursuant thereto concerning food establishments.
- Sec. 3.5. 1. A farm that wishes to hold farm-to-fork events must register with the health authority by submitting such information as the health authority deems appropriate, including, without limitation:
- (a) The name, address and contact information of the owner of the farm;
  - (b) The name under which the farm operates; and
  - (c) The address of the farm.
- 2. The health authority may charge a fee for the registration of a farm pursuant to this section in an amount not to exceed the actual cost of the health authority to establish and maintain a registry of farms holding farm-to-fork events.
- 3. The health authority shall not inspect a farm that holds a farm-to-fork event, except as otherwise provided in subsection 3 of section 3 of this act and except that the health authority may inspect a farm following a farm-to-fork event to investigate a food item that may be deemed to be adulterated pursuant to NRS 585.300 to 585.360, inclusive, or an outbreak

or suspected outbreak of illness known or suspected to be caused by a contaminated food item served at the farm-to-fork event. A farm shall cooperate with the health authority in any such inspection.

- 4. If, as a result of an inspection conducted pursuant to subsection 3, the health authority determines that the farm has produced an adulterated food item or was the source of an outbreak of illness caused by a contaminated food item, the health authority may charge and collect from the farm a fee in an amount not to exceed the actual cost of the health authority to conduct the investigation.
- Sec. 4. 1. A farm which manufactures or prepares a food item by any manner or means whatever for sale, or which offers or displays a food item for sale, is not a "food establishment" pursuant to paragraph (h) of subsection 2 of NRS 446.020 if each such food item is:
- (a) Made substantially from ingredients that were grown or produced on the farm;
- (b) Sold at the farm or at a farmers' market licensed pursuant to chapter 244 or 268 of NRS;
- (c) Sold to a natural person for his or her consumption and not for resale;
- (d) Affixed with a label which complies with the federal labeling requirements set forth in 21 U.S.C. § 343(w) and 9 C.F.R. Part 317 and 21 C.F.R. Part 101 and which has been approved by the health authority if the food item is sold at a farmers' market;
- (e) Labeled with "NOT FOR RESALE PROCESSED AND PREPARED IN A FACILITY WHICH DOES NOT HAVE A PERMIT AND WHICH HAS NOT BEEN INSPECTED BY A STATE OR COUNTY HEALTH AUTHORITY" printed prominently on the label for the food item; and
- (f) Prepackaged in a manner that protects the food item from contamination during transport, display, sale and acquisition by consumers.
  - 2. As used in this section:
- (a) "Farm" means land used for an agricultural purpose, including, without limitation, the production of crops and the on-site storage, preparation and sale of agricultural products principally produced on the land.
- (b) "Food item" means any food that is not potentially hazardous, does not require time or temperature controls for safety and has a pH of 4.6 or less.
  - **Sec. 5.** NRS 446.020 is hereby amended to read as follows:
- 446.020 1. Except as otherwise limited by subsection 2, "food establishment" means any place, structure, premises, vehicle or vessel, or any

part thereof, in which any food intended for ultimate human consumption is manufactured or prepared by any manner or means whatever, or in which any food is sold, offered or displayed for sale or served.

- 2. The term does not include:
- (a) Private homes, unless the food prepared or manufactured in the home is sold, or offered or displayed for sale or for compensation or contractual consideration of any kind;
- (b) Fraternal or social clubhouses at which attendance is limited to members of the club:
- (c) Vehicles operated by common carriers engaged in interstate commerce:
- (d) Any establishment in which religious, charitable and other nonprofit organizations sell food occasionally to raise money or in which charitable organizations receive salvaged food in bulk quantities for free distribution, unless the establishment is open on a regular basis to sell food to members of the general public;
- (e) Any establishment where animals are slaughtered which is regulated and inspected by the State Department of Agriculture;
- (f) Dairy farms and plants which process milk and products of milk or frozen desserts which are regulated under chapter 584 of NRS; [or]
- (g) The premises of a wholesale dealer of alcoholic beverages licensed under chapter 369 of NRS who handles only alcoholic beverages which are in sealed containers [-];
- (h) A farm that meets the requirements of section 4 of this act with respect to a food item as defined in that section; or
  - (i) A farm for purposes of holding a farm-to-fork event.
  - **Sec. 6.** This act becomes effective on July 1, 2013.

Assemblywoman Dondero Loop moved the adoption of the amendment.

Remarks by Assemblywoman Dondero Loop.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 10.

Bill read third time.

Remarks by Assemblyman Wheeler.

ASSEMBLYMAN WHEELER:

Assembly Bill 10 provides that it is unlawful to use, possess with intent to use, or assist another person in using any software, hardware, or combination thereof that is designed to obtain an advantage at any game in a licensed gaming establishment or any game offered by a licensee or affiliate.

This bill also clarifies that the prohibition on using, possessing with intent to use, or assisting another person in using any device to obtain an advantage at playing any such game applies to persons acting alone or in conjunction with others.

Roll call on Assembly Bill No. 10:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 10 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 18.

Bill read third time.

Remarks by Assemblyman Hambrick.

#### ASSEMBLYMAN HAMBRICK:

Assembly Bill 18 allows Nevada's Department of Transportation [NDOT] and certain local governments to enter into agreements for the relinquishment or trade of any portion of a state highway or local road. Before a relinquishment or trade may take place, the parties must agree in writing to terms of the trade, including requirements for bringing the highway or local road into good repair or, if necessary, to ensure equitable compensation or equitable trade considerations.

The bill also requires NDOT, in cooperation with local governments, to develop a procedural document that addresses the process by which portions of roadways are to be relinquished.

Roll call on Assembly Bill No. 18:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 18 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 21.

Bill read third time.

Remarks by Assemblyman Bobzien.

#### ASSEMBLYMAN BOBZIEN:

Assembly Bill 21 clarifies that an occupant of a motor vehicle designed, maintained, or used primarily for the transportation of persons for compensation or the occupant of the living quarters of a house coach or house trailer, other than the driver of such a vehicle, is allowed to possess an open container of an alcoholic beverage while that vehicle is upon a state highway.

The bill also clarifies the accident reporting duties and responsibilities of the Department of Motor Vehicles and the Department of Public Safety. Finally, the bill provides that accident reports may be filed electronically.

## Roll call on Assembly Bill No. 21:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

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Assembly Bill No. 21 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 41.

Bill read third time.

Remarks by Assemblyman Daly and Madam Speaker.

#### ASSEMBLYMAN DALY:

Assembly Bill 41 moves the provisions governing contracting with current and former state employees out of personnel laws and into state purchasing laws. The measure requires the using agency to submit a written disclosure to the State Board of Examiners regarding the services to be provided and to specify when approval by the State Board of Examiners must occur.

The measure raises the threshold for requiring formal contracts for purchases by the state from \$25,000 to \$50,000. It further increases the delegated authority of the Clerk of the State Board of Examiners from \$10,000 to \$50,000 for contracts, including those contracts necessary to preserve life and property, which is raised from \$25,000 to \$50,000. New language is added to prohibit an agency from splitting a contract to avoid the competitive bid process.

Further, a contract is void if it does not comply with statutory and regulatory provisions. Both the head of the using agency and the employee entering the contract are personally liable for the costs of services delivered pursuant to the void contract.

Madam Speaker requested the privilege of the Chair for the purpose of making the following remarks:

Mr. Daly, I apologize for not asking this sooner. What Is the current definition for a using agency? It seems a little vague.

#### ASSEMBLYMAN DALY:

I believe it would be any state agency that comes under NRS 333, which is state government purchasing.

Roll call on Assembly Bill No. 41:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 41 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 44.

Bill read third time.

Remarks by Assemblyman Carrillo.

### ASSEMBLYMAN CARRILLO:

Assembly Bill 44 prohibits a homeowners' association from regulating the manner in which containers for collection of solid waste or recyclables are stored on the premise of a residential unit with curbside service, except as provided in the bill itself. This measure authorizes a homeowners' association to adopt reasonable rules regarding the location, screening, and storage of containers when the containers are not in the collection area, and the conditions under which containers may be placed in the collection area.

Assembly Bill 44 requires any rules adopted by the association to allow the storage or containers outdoors and to comply with all applicable codes and regulations. The effective date of this measure would be October 1, 2013.

Roll call on Assembly Bill No. 44:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 44 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 59.

Bill read third time.

Remarks by Assemblyman Livermore.

#### ASSEMBLYMAN LIVERMORE:

Assembly Bill 59 formalizes and renames existing components of the State Public Works Division, Department of Administration, to create a Public Works – Compliance and Code Enforcement Section and a Public Works – Professional Services Section within the State Public Works Division. Each of the sections will be led by one of the existing deputy administrators. The Administrator of the State Public Works Division is authorized to adopt necessary regulations for these two new sections and to recommend to the State Public Works Board the adoption of such regulations.

The bill eliminates the requirement that a proposal for the construction of a state building include operating costs for personnel and other expenses of operation for the building. Further, the measure repeals the requirement that the State Public Works Division compile a report concerning state building projects that are financed by general obligation bonds, revenue bonds, or medium-term obligations for each fiscal year and submitted annually to the Legislature.

Roll call on Assembly Bill No. 59:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 59 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 64.

Bill read third time.

Remarks by Assemblyman Ohrenschall.

#### ASSEMBLYMAN OHRENSCHALL:

I rise in support of Assembly Bill 64. Assembly Bill 64 authorizes a district court to deliver a copy of a presentence investigation report to the Department of Corrections by electronic transmission or by giving the Department electronic access to retrieve the report. The bill also allows the district court to furnish electronic copies of judgments of imprisonment to the sheriff of the county.

Roll call on Assembly Bill No. 64:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 64 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 97.

Bill read third time.

Remarks by Assemblyman Aizley.

#### ASSEMBLYMAN AIZLEY:

Assembly Bill 97 requires a prosecuting attorney to inform a defendant if the attorney is going to seek a penalty enhancement pursuant to Nevada's habitual criminal statute in a reasonable amount of time before trial. The bill authorizes the defense and prosecution to stipulate a different procedure and authorizes the court to order a time extension for good cause. The prosecution may amend or supplement a habitual criminal count at any time before the sentence is imposed.

The bill strikes me as an example of fairness and clarity and allows the defendant to know the possible consequences.

Roll call on Assembly Bill No. 97:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 97 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 98.

Bill read third time.

Remarks by Assemblyman Aizley.

## ASSEMBLYMAN AIZLEY:

Assembly Bill 98 concerns three items. First, candidates for a homeowners' association [HOA] board must be in good standing and must reveal any potential conflicts of interest. Secondly, bids for projects costing at least \$2,500 or 10 percent of the total annual assessments of the HOA must be reviewed and compared. Revised bids may be requested. Finally, if the annual budget of the HOA is \$150,000 or less, the bill requires its financial statement to be reviewed by an independent certified public accountant every fiscal year unless a majority of the voting members of the HOA submit a written request for an audit.

The most frequent complaint that I heard while campaigning was about HOAs, and there are a lot of them in my district. This bill is in response to those complaints, and I expect it will create more professional-acting boards. The bill defines members to be in good standing and eligible for serving on the board if they are current with all association dues and assessments. Current board members cannot prevent a member in good standing from seeking election to the board by assessing a fine for a frivolous reason. I was amazed that so many thought a board could or

would do this. Assembly Bill 98 is a positive step in improving HOA boards, and your support is appreciated.

# Roll call on Assembly Bill No. 98:

YEAS—30.

NAYS—Duncan, Ellison, Fiore, Grady, Hambrick, Kirner, Oscarson, Wheeler, Woodbury—9. EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 98 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 126.

Bill read third time.

Remarks by Assemblymen Flores, Hickey, and Spiegel.

#### ASSEMBLYWOMAN FLORES:

I rise in support of Assembly Bill 126. Assembly Bill 126 requires an owner or operator of any restaurant or similar retail food establishment that is part of a chain with 15 or more locations within this state to disclose the same nutritional information as required by federal law for such a chain with 20 or more locations. The bill also provides that an owner or operator of a restaurant or similar retail food establishment who violates these provisions is guilty of a misdemeanor and subject to tiered fines.

#### ASSEMBLYMAN HICKEY:

I rise in opposition to Assembly Bill 126. Nutrition labeling is a very complex issue, and individuals should know what is in the foods they consume. However, I don't believe this bill aligns with current federal regulations and may cause confusion by state and local officials. Nutrition labeling should be done by the federal government. There is a huge difference between the resources smaller businesses have and big national chains. In addition, there are various proposed regulations that have not been adopted by the FDA as of yet, and it seems a bit premature to reference them in our NRS when they likely will not be finished until 2015. I applaud the sponsor's efforts on this measure, but I cannot support this bill as it stands currently.

#### ASSEMBLYWOMAN SPIEGEL:

I rise in support of Assembly Bill 126. As somebody who has been watching my weight for 45 or so years, I have to tell you that when I travel to other states that have nutritional information posted on their menus, I am much more likely to frequent those restaurants. The majority of people I have attended Weight Watchers with throughout the years have all felt the same way. I actually think this bill will help not only Nevadans make good choices when they are eating out in restaurant establishments, I think it will also make more people feel comfortable eating in such dining establishments. I urge your support for this bill.

# Roll call on Assembly Bill No. 126:

YEAS—25.

NAYS—Paul Anderson, Duncan, Ellison, Fiore, Grady, Hambrick, Hansen, Hardy, Hickey, Kirner, Livermore, Stewart, Wheeler, Woodbury—14.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 126 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 129.

Bill read third time.

Remarks by Assemblyman Sprinkle.

ASSEMBLYMAN SPRINKLE:

Assembly Bill 129 authorizes certain persons to apply for the issuance of license plates specifically designed to honor peace officers who have received one or more of several specified medals or the equivalent thereof. The special license plates may also be issued to a family member of a peace officer who receives posthumously the Medal of Honor or the equivalent thereof.

Roll call on Assembly Bill No. 129:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 129 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 147.

Bill read third time.

Remarks by Assemblymen Ohrenschall and Kirner.

#### ASSEMBLYMAN OHRENSCHALL:

Assembly Bill 147 requires a notice regarding the results of a mammogram to include a statement of the density of the patient's breasts and encourage the patient to discuss the notice with his or her physician or other health care provider. In addition, this bill authorizes the Health Division of the Department of Health and Human Services to impose an administrative fine for failure to provide such notice.

During your committee on Health and Human Services, there was compelling testimony in favor of this bill. There was testimony that at least 40 percent of women have dense breast tissue, and for those women, mammography can be very ineffective. Many of them get a false negative, when in reality there may be an issue, and further testing and ultrasounds may be warranted. At the hearing, there were two very poignant stories. One had to do with a member of the Reno community who we know very well, Wendy Damonte. Her mother Diane Wyness passed away. Wendy and the doctors believe it was due to a false negative, due to a cancer that was not found, because the mammogram is not a good enough test. There was also a story of a young doctor, Caroline Graham Lamberts. I think most of us know her parents very well. She had just turned 30 when they lost her. Her parents and the doctors who treated Caroline believed she lived an extra five years because Caroline's medical training gave her the knowledge to go and get these additional tests—the kind of tests we are hoping women will ask for. This is a bill that I think will make a difference. Here, knowledge is power and this is knowledge that women should have. I urge everyone's support.

#### ASSEMBLYMAN KIRNER:

I rise in support of this bill. I believe any time we provide information to a patient that enhances the medical care that a patient gets, it is important. I urge your support of this bill as well.

Roll call on Assembly Bill No. 147:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 147 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 165.

Bill read third time.

Remarks by Assemblyman Wheeler.

# ASSEMBLYMAN WHEELER:

Assembly Bill 165 prohibits the Director of the Department of Motor Vehicles from providing personal information to individuals or companies for the purpose of marketing extended vehicle warranties. The bill also eliminates the authority of the Director to release personal information for use in the bulk distribution of surveys, marketing material, or solicitations.

Roll call on Assembly Bill No. 165:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 165 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 176.

Bill read third time.

Remarks by Assemblyman Paul Anderson.

#### ASSEMBLYMAN PAUL ANDERSON:

Assembly Bill 176 exempts a consignee from a requirement to provide the buyer or long-term lessee of a vehicle with evidence of compliance certifying that the vehicle is equipped with pollution control devices and complies with certain requirements of the State Environmental Commission. Instead, this bill requires the consignee to inform the buyer that the buyer may be responsible for obtaining an emissions inspection or testing before the vehicle may be registered, post a notice at the site of the consignment auction stating that the consignee is exempt from the requirement to obtain an emissions inspection or testing of any vehicle sold by consignment auction, and make the vehicle available for inspection before the auction.

Roll call on Assembly Bill No. 176:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 176 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 225.

Bill read third time.

Remarks by Assemblyman Stewart.

#### ASSEMBLYMAN STEWART:

Assembly Bill 225 revises the definition of "business broker" to expand its application to acts that are performed as part of a transaction, proposed transaction, or prospective transaction involving an interest or estate in real property, whether or not the person performing the transaction is acting as a real estate licensee.

Roll call on Assembly Bill No. 225:

YEAS—38.

NAYS—Daly.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 225 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 236.

Bill read third time.

Remarks by Assemblyman Daly.

## ASSEMBLYMAN DALY:

Assembly Bill 236 allows a person to drive a motorcycle between moving or stationary vehicles occupying adjacent traffic lanes. While driving between other vehicles traveling in the same direction as the motorcycle, the following conditions apply: The person must drive in a manner that is reasonable and proper, having due regard for the traffic, surface and width of the highway, the weather, and other highway conditions. The motorcycle must not travel at a speed that is more than 10 miles per hour faster than the speed of those other vehicles, and the motorcycle must not exceed a maximum speed of 30 miles per hour.

Roll call on Assembly Bill No. 236:

YEAS—35.

NAYS—Paul Anderson, Carlton, Fiore, Livermore—4.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 236 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 243.

Bill read third time.

Remarks by Assemblyman Carrillo.

ASSEMBLYMAN CARRILLO:

Assembly Bill 243 requires all special license plates designed, prepared, and issued by the Department of Motor Vehicles after October 1, 2013, to have a uniform design and background color. This bill is effective October 1, 2013.

Roll call on Assembly Bill No. 243:

YEAS—32.

NAYS—Ellison, Fiore, Hickey, Kirner, Livermore, Spiegel, Wheeler—7.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 243 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 246.

Bill read third time.

Remarks by Assemblywoman Swank.

ASSEMBLYWOMAN SWANK:

Assembly Bill 246 makes it a misdemeanor to sell, attempt to sell, offer for adoption, or transfer ownership of a live animal at a swap meet, except in counties and incorporated cities that have adopted an ordinance authorizing live animal sales at such events. The bill further provides that these ordinances must meet certain minimum criteria relating to the care of animals.

The provisions of the bill do not apply to livestock or to the adoption of dogs or cats at an outdoor event held by an animal shelter or rescue organization that is exempt under section 501(c)(3) of the Internal Revenue Code.

Roll call on Assembly Bill No. 246:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 246 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 259.

Bill read third time.

Remarks by Assemblywoman Dondero Loop.

ASSEMBLYWOMAN DONDERO LOOP:

Assembly Bill 259 makes various changes to the P-16 Advisory Council, including, changing the name of the Council to the P-20W Advisory Council and highlighting its role in the early childhood and workforce sectors; adding the Director of the Department of Employment, Training and Rehabilitation; and broadening the role of the Council.

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Roll call on Assembly Bill No. 259:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 259 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 263.

Bill read third time.

Remarks by Assemblywoman Neal.

#### ASSEMBLYWOMAN NEAL:

Assembly Bill 263 requires that, rather than consider only a person's experience relating to public transportation projects, the Director of the Department of Transportation also consider any other comparable experience a person may have when determining if the person is sufficiently qualified to bid on a certain highway construction project.

Roll call on Assembly Bill No. 263:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 263 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 264.

Bill read third time.

Remarks by Assemblyman Grady.

## ASSEMBLYMAN GRADY:

Assembly Bill 264 makes the following actions a gross misdemeanor: A second or subsequent violation of the statutory prohibition against feeding estray or feral livestock, and unless otherwise authorized by law, the taking up or possession of estray or feral livestock by a person who is not the owner and does not have the owner's consent.

We have had a lot of conversations on this bill, and I would like to clear up some of the misconceptions. Number one, this is not a horse bill. This is a safety bill. If you have driven around our area, you will see that horses, cattle, deer, and cars do not mix on our rural highways. This bill has been on the books for a number of years. I have worked on different horse bills during my six terms here. We finally got the people to agree to what they really wanted and what the state really needed. We had involvement from the Department of Agriculture, Highway Patrol, sheriff departments, ranchers, and a number of people in the different horse organizations. They all agreed we have to quit feeding horses and bringing them down on the highway.

If you have ever seen a wreck between an automobile and a horse, it is ugly. A horse is tall enough that it will come right through your windshield. We have tried to give warnings. People do not pay any attention to the warnings. So this bill was worked out among many people. If someone is found feeding horses, they will get a warning. On the second or subsequent time,

they will receive a ticket and a violation. We have had concerns about whether it should be a misdemeanor or a gross misdemeanor. The folks I have talked to have said if you make it a misdemeanor, you can go into a court and they could say it's a \$25 fine—please don't do it again. All the people who worked on the bill agreed that we had to put some teeth into it. That is why we put in a gross misdemeanor, so that the fine could be up to \$2,000. It's a harsh fine, it's a heavy fine, but life is worth more than trying to keep fighting people that insist that they are going to feed these horses. So I ask you to support this bill, not as an anti-horse bill, but as a safety bill for not only the horses, but for our traveling public.

Roll call on Assembly Bill No. 264:

YEAS—30.

NAYS—Carlton, Diaz, Flores, Frierson, Healey, Horne, Martin, Spiegel, Swank—9.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 264 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 282.

Bill read third time.

Remarks by Assemblyman Aizley.

ASSEMBLYMAN AIZLEY:

Assembly Bill 282 revises provisions governing surety bonds related to motor vehicle sales. This bill provides that surety bond compensation is for the use and benefit of a consumer injured by the action of a broker, dealer, distributor, manufacturer, rebuilder, or their representative or salesperson.

The term "any person" in the original bill was interpreted by the Supreme Court to mean any of these other areas that could recover the funds. It is believed the intention was for this to be a protection for consumers since other groups have other sources to recover their funds. I urge support of the bill.

Roll call on Assembly Bill No. 282:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 282 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 284.

Bill read third time.

Remarks by Assemblymen Flores, Sprinkle, Fiore, Elliot Anderson, Duncan, and Horne.

# ASSEMBLYWOMAN FLORES:

I rise in support of Assembly Bill 284. Assembly Bill 284 allows for the early termination of a rental agreement if a tenant, cotenant, or household member is a victim of domestic violence. The bill establishes notice requirements and provisions concerning liability for unpaid amounts. It also requires a landlord to install a new lock onto the dwelling of a victim of domestic

violence under certain circumstances. Furthermore, the measure prohibits a landlord from taking retaliatory action against a tenant who terminates an agreement because he or she is a victim of domestic violence.

I cannot urge this body enough to support this measure. Nevada is number one in domestic violence-related homicides. I can tell you that from a personal prospective, and as someone who was a victim of domestic violence, it was incredibly difficult after I decided to leave my abuser—when I finally had the courage to do that—to find housing once I was ready to be by myself again, because I had to break leases. Despite the fact that I was hospitalized, that I had injuries, my landlord did not let me out of my lease because they did not think that was enough.

This bill provides protection for landlords to hold the abuser accountable for any financial losses that they might sustain. Not only are there protections for landlords in this bill, but in addition to that and most importantly, it provides protection for domestic abuse victims.

Lastly, I will just add that it is very important that domestic violence victims are able to go to their churches, to social workers, and to domestic violence organizations, because often times that is the safest thing to do. There were many times where I did not get law enforcement involved because it was scary, and I do not believe that it is right as a state to pass a law that says that the only way you can get out of your lease is to involve law enforcement. That may not be the safest thing for that person to do for themselves, or for their children, or for their family. I tell you from personal experience, this is not a measure that is going to hurt landlords or business in this state; it is a measure that hopefully is going to provide victims of domestic abuse the ability to safely leave their homes without the burden of trying to figure out what they are going to do for housing or how much money they are going to be obligated to pay once they decide to leave. I strongly urge this body to support this measure, and I thank you all for your time.

# ASSEMBLYMAN SPRINKLE:

I rise in support of Assembly Bill 284. Having done a lot of work in this area in the past, I want to mimic a lot of the words that you just heard the sponsor speak to. Oftentimes these victims do not feel like they can go to law enforcement to get the help and the protection they need. They end up using their clergy; they end up using other advocates; they go to shelters to immediately get away. So to eliminate them from the process of determining whether or not these women are in a position of danger—and I say women only because statistics prove over 93 percent are women—these advocates, these licensed professionals, should be in a position where they can help.

Secondly, from a more personal prospective having worked in emergency medicine for over 20 years, I have had many of these people as patients of mine in the back of my ambulance. I know that the sooner they can get out of a situation that is dangerous to them, the better they can be. Oftentimes in domestic violence, leases and an inability to get out of where they are living is what keeps them in these domestic violence situations. This bill is necessary, and it is important to protect the men, and especially the women, that oftentimes become battered and are stuck in these domestic violence situations. I strongly urge the passage of this bill.

#### ASSEMBLYWOMAN FIORE:

I rise in opposition of Assembly Bill 284. While I applaud its intent to protect a victim of domestic violence, I am concerned that this measure fails to take into consideration the safety of the community as a whole. I also thank the sponsor's effort to amend the bill, but the changes fall short of addressing serious concerns raised by members. The bill fails to properly protect the victim or the landlord and gives little guidance on identifying or prosecuting those persons who commit the crime of domestic violence. Without proper documentation from law enforcement, perpetrators of domestic violence would remain free in our communities, and it does nothing to discourage future acts of domestic violence. I believe that victims of domestic violence should be protected to the fullest extent of the law, however, this bill fails to bring all appropriate parties to the table, including law enforcement.

Madam Speaker, I cannot support Assembly Bill 284 and encourage the sponsor to continue to work with members and stakeholders on this important issue. On a personal note, I have had a protective order in place on a domestic violence issue, so I totally get this bill, and I would urge the sponsor to seek more counsel.

## ASSEMBLYMAN ELLIOT ANDERSON:

I want to first thank my colleague from District 28 for bringing this bill forward. This is something—working in criminal defense—that really spoke to me and said we really need to do something about this. So many times you get into situations where you have an abuser and the abusee in a relationship living together, and because the abusee often gets involved in crime because of the abuser, you end up in a situation where the victim cannot always go to law enforcement, so they feel trapped. There are sometimes prostitution situations. My colleague from District 2 probably knows that sex trafficking is sometimes used as leverage over someone who is getting abused, so this is really important to break the cycle of abuse. You cannot just have law enforcement being the only documentation, not to mention, the undocumented community, which brings up another problem. If you have a situation like that, there could be an abuser that would use the victim's legal status, or lack thereof, against them. I strongly urge my colleagues to support this legislation as written.

#### ASSEMBLYMAN DUNCAN:

If I may, I would like to ask the sponsor a couple of questions. Under current law, are there circumstances where domestic violence victims can break their lease if there are any circumstances?

#### ASSEMBLYWOMAN FLORES:

To my colleague from the south, currently it is just like a regular contract that one enters into. Unless the other person to that contract decides to let you out, you are obligated under the terms of that agreement. There are currently, to my knowledge, no provisions whatsoever in the state of Nevada that will allow for such a breaking of that contract unless this bill gets passed.

#### ASSEMBLYMAN HORNE:

I rise in support of Assembly Bill 284. I think it is important to note—because we are getting away from the intent of this bill—that the intent of this bill is to protect a victim of domestic violence. It is not meant to protect a landlord; it is not meant to protect the community at large; it is not meant to protect business owners; it is meant to protect a victim of domestic violence. As an attorney, I have been on both sides where I have represented victims of domestic violence and perpetrators of domestic violence. I can tell you, in both circumstances, that if you can provide an easier way for that victim to get out of that dangerous situation, you should provide it.

Assemblymen Horne, Frierson, and Carlton moved the previous question. Motion carried.

The question being the passage of Assembly Bill No. 284.

Roll call on Assembly Bill No. 284:

YEAS—28.

NAYS—Ellison, Fiore, Grady, Hambrick, Hansen, Hickey, Kirner, Livermore, Stewart, Wheeler, Woodbury—11.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 284 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 305.

Bill read third time.

Remarks by Assemblyman Sprinkle.

## ASSEMBLYMAN SPRINKLE:

Assembly Bill 305 requires the Board of Directors of Nevada's Department of Transportation to prescribe regulations specifying the operational requirements for commercial electronic variable message signs. The operational requirements for these signs must conform to the regulations promulgated by the Secretary of the United States Department of Transportation.

Roll call on Assembly Bill No. 305:

YEAS—39.

NAYS—None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 305 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 307.

Bill read third time.

Remarks by Assemblyman Horne.

## ASSEMBLYMAN HORNE:

Assembly Bill 307 requires a county to pay any costs incurred by a hospital for a forensic medical examination of a victim of sexual assault. The bill also specifies that any costs incurred by a county for medical care provided to a victim within 72 hours after arriving for treatment and any costs for a forensic medical examination must be charged to the county where the offense was committed and that the filing of a police report must not be a prerequisite to filing for a forensic medical examination.

The bill also requires a victim of sexual assault to file a police report or submit to a forensic medical examination in order for the victim or the victim's spouse, relative, or close friend to be eligible for any additional treatment at county expense for physical injuries or emotional trauma suffered as the result of the sexual assault.

Roll call on Assembly Bill No. 307:

YEAS—39.

NAYS—None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 307 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 310.

Bill read third time.

Remarks by Assemblyman Grady.

#### ASSEMBLYMAN GRADY:

Assembly Bill 310 allows an irrigation district to buy insurance or make other financial arrangements on behalf of its agents, officers, employees, delegates, and representatives for liability and expenses related to such persons' involvement with the district. The bill also raises the limit of indebtedness for an irrigation district from \$500,000 to \$1 million. The effective date is July 1, 2013.

Roll call on Assembly Bill No. 310:

YEAS—39.

NAYS—None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 310 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 312.

Bill read third time.

Remarks by Assemblyman Livermore.

## ASSEMBLYMAN LIVERMORE:

Assembly Bill 312 revises the appointment process and terms of service for the members of the Charter Committee of Carson City. The measure provides that the mayor, each supervisor, and each member of the Senate and Assembly delegation representing the residents of Carson City appoint one member to the Committee. Each member serves at the pleasure of his or her appointing public officer throughout that public officer's term. The bill also revises the duties of the Charter Committee.

Assembly Bill 539, Chapter 341, *Statutes of Nevada 1999*, amended several provisions of the Charter Committee of Carson City, including the establishment of a Charter Committee to make recommendations to the Board of Supervisors on necessary Charter amendments.

Roll call on Assembly Bill No. 312:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 312 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 313.

Bill read third time.

Remarks by Assemblyman Frierson.

## ASSEMBLYMAN FRIERSON:

Assembly Bill 313 prohibits an investigative or law enforcement officer from tracking a mobile phone without first obtaining a court order, except with the consent of the owner of the mobile phone or in an emergency involving the immediate risk of death or serious harm. The bill authorizes an officer to apply to the district court for an order, specifies the contents of the application and the order, and limits the duration of any order or extension to 30 days. The bill

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also requires the court to make a finding of probable cause for belief that the information to be obtained is relevant to an ongoing criminal investigation before issuing an order or extension.

Assembly Bill 313 reflects a tremendous amount of work on the part of the bill sponsor. We were working with stakeholders to make sure that their concerns were taken into consideration. It is significantly different from the original bill. I think it reflects some hard work and a serious effort at compromise. Not all the areas in the bill were a reflection of compromise, but I think the strongest concerns launched with respect to this bill were addressed, and I think the product of that work is reflected now. I think it is a bill that is attempting to make sure that it is fair and that the access and the ability to do these searches is not abused.

Roll call on Assembly Bill No. 313:

YEAS—27.

NAYS—Paul Anderson, Duncan, Ellison, Fiore, Grady, Hambrick, Kirner, Livermore, Oscarson, Stewart, Wheeler, Woodbury—12.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 313 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 346.

Bill read third time.

Remarks by Assemblymen Bobzien and Wheeler.

#### ASSEMBLYMAN BOBZIEN:

I rise in support of Assembly Bill 346. The bill requires that reclamation plans for mining operations and exploration projects must, if feasible, provide for at least one point of public nonmotorized access to the water level of a pit lake that has a predicted filled surface area of more than 200 acres. Such access must be provided when the pit reaches at least 90 percent of its predicted maximum capacity.

The bill also makes provisions regarding the responsibilities and liability of certain persons involved with the premises on which such a pit lake with public access is located, including past and present owners, operators, lessees, occupants, contractors, employees, and others. Such persons have no duty to keep the premises safe for entry or use or to give warning of any hazardous conditions. These persons also do not assume responsibility or incur liability for injuries to any person or property caused by an act of a person who has permission to access the premises.

Finally, A.B. 346 provides that relevant reclamation plans that were filed before the bill takes effect must provide for public access to a pit lake as set forth in the bill. These plans may be amended and refiled if it is determined that such access is warranted.

As we are all aware, the mining industry has tremendous importance in this state and has tremendous impact on our landscape across the state. This bill is a commonsense solution and a product of all the parties working together to plan for the future legacy of these pit lakes and how the public can derive benefit from them.

#### ASSEMBLYMAN WHEELER:

I also rise in support of Assembly Bill 346. I wanted to thank the bill sponsor for working hard with negotiations with the mining industry and with the other side of the aisle on this bill.

Roll call on Assembly Bill No. 346:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 346 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 349.

Bill read third time.

Remarks by Assemblywoman Bustamante Adams.

#### ASSEMBLYWOMAN BUSTAMANTE ADAMS:

Assembly Bill 349 authorizes a regulatory body to grant a license by endorsement to a qualified professional who is licensed in another state or territory and is also an active member, veteran, spouse of an active member, or surviving spouse of a veteran of the Armed Forces of the United States, to practice his or her respective profession in this state.

Roll call on Assembly Bill No. 349:

YEAS—38.

NAYS-Eisen.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 349 having received a two-thirds constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 351.

Bill read third time.

Remarks by Assemblymen Horne, Duncan, Eisen, and Carlton.

## ASSEMBLYMAN HORNE:

Yes, Madam Speaker. Assembly Bill 351 provides that a person who holds a registry identification card and engages in the medical use of marijuana is exempt from prosecution for a criminal offense for driving, operating, or being in actual physical control of a vehicle or vessel under power or sail with a certain concentration of marijuana or marijuana metabolite in his or her blood or urine. The bill does not exempt a person from state prosecution for the aforementioned offense if the person is under the influence of marijuana not related to the medical use.

Basically, this bill puts medical marijuana on the same footing as other prescription drugs, which means there's no per se limit. You can still be prosecuted for driving under the influence of marijuana if you are driving while intoxicated on this medication. Just like any other medication, there's just no per se limit on it. That only applies to those with medical marijuana cards. It does not apply to other persons who partake in the use of marijuana.

## ASSEMBLYMAN DUNCAN:

I rise in opposition to Assembly Bill 351. I do appreciate my colleague from District 34 visiting with our caucus last night. I know that his comments were well received by some in our caucus, and I appreciate him coming and explaining this bill to us more and more. I want to take a step back, though, because in 1999 this same body had a debate about per se levels for

marijuana. We decided as a policy matter to allow for marijuana to have per se levels—that if you have either two nanograms of active THC in your system, or five nanograms or more of metabolite in your system, that you were per se impaired. The reason for having that policy discussion was that we were worried about traffic safety. We were worried about impaired drivers on the road. So while I appreciate the efforts—and I do believe that we do have to have a policy discussion about medical marijuana and how we deal with people who have the cards—I think this policy in A.B. 351 may not be completely thought out in the sense that whether you are impaired or not, we are now essentially exempting people with medical marijuana cards. We made a policy decision in 1999 that people who had marijuana in their system were impaired and they were dangerous to be on the road.

I would suggest that either we raise the inactive metabolite level higher to capture those people with medical marijuana cards or we make a policy decision to just exempt marijuana completely from per se rules and make it so that in a court of law, we prove beyond a reasonable doubt that someone is impaired. For those reasons, I stand in opposition, but I do applaud my colleague from District 34 for opening this discussion.

#### ASSEMBLYMAN EISEN:

I rise in support of Assembly Bill 351. I think it is important that we clarify the issue here with marijuana. For one, as the majority leader pointed out, this only applies to individuals who have the legal right to use marijuana as a medicine. This does not prevent the arrest or conviction of an individual who is driving impaired under the influence of marijuana. What it simply does is remove the ability for that prosecution to proceed on the basis of a level of marijuana or marijuana metabolites in the blood. Given the lack of correlation between a blood level and impairment with marijuana, and very much unlike alcohol, a variable rate of metabolism of marijuana, I think a reliance simply on a number to indicate impairment is problematic. If there is, in fact, evidence of impairment of a driver, they still can be charged, they still can be prosecuted, and they still can be convicted of driving under the influence. This bill only removes the per se number from evidence if someone has a legal right to use marijuana as a medical aid.

#### ASSEMBLYWOMAN CARLTON:

I rise in support of Assembly Bill 351. To respond to one of my previous colleagues in citing the debate that happened in 1999, at that time, we all need to remember that marijuana was not considered a medicine that year. It now is actually prescribed for medical reasons. I do not believe that debate has any impact on the actual use of a medicine. We were talking about an illegal substance at the time.

Roll call on Assembly Bill No. 351:

YEAS-31

NAYS—Duncan, Ellison, Hambrick, Kirner, Oscarson, Stewart, Wheeler, Woodbury—8.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 351 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

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

Assembly in recess at 7:17 p.m.

## ASSEMBLY IN SESSION

At 7:21 p.m. Madam Speaker presiding. Ouorum present.

Assembly Bill No. 357.
Bill read third time.

Remarks by Assemblyman Bobzien.

## ASSEMBLYMAN BOBZIEN:

Assembly Bill 357 abolishes the Statewide Council for the Coordination of the Regional Training Programs and the governing bodies of each regional training program for the professional development of teachers and administrators and transfers their powers and duties to the Department of Education. This measure also requires the Office of Parental Involvement and Family Engagement to work in cooperation with the regional training programs, stipulates that staff of the regional training programs are not employees of the Department of Education, ensures the Clark and Washoe County School Districts use their portions of the regional training funds in partnership with the regional training programs; and clarifies the process for drafting, approving, and implementing regional training models and plans.

Nevada has seen a wave of education reforms and policy changes that have vast impact on teachers and classrooms and students in this state. It is essential that the regional training programs be refocused and a new model be built that involves the state Department of Education facilitating coordination across the state for the delivery of professional development. This bill is a vital portion of that effort.

Roll call on Assembly Bill No. 357:

YEAS-39.

NAYS—None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 357 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 378.

Bill read third time.

Remarks by Assemblywoman Dondero Loop.

ASSEMBLYWOMAN DONDERO LOOP:

Assembly Bill 378 provides that a self-settled spendthrift trust is unenforceable against the settlor's child, spouse, or domestic partner who has a judgment or court order against the settlor for support or maintenance. The bill also makes the transfer of community property to a spendthrift trust void unless both spouses or domestic partners agree to the transfer in writing and expressly waive the community property rights of each spouse or domestic partner.

If the settlor of the spendthrift trust is also a beneficiary of the trust, A.B. 378 prohibits the following persons from being a distribution trustee: the settlor; the spouse or domestic partner of the settlor; a person related to the settlor by blood, adoption, or marriage within the second degree of consanguinity or affinity; an employee of the settlor; a subordinate employee of the settlor or the settlor's business; and a business entity in which the settlor or any of the previously-listed persons holds at least 30 percent of the total voting power.

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Roll call on Assembly Bill No. 378:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 378 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 379.

Bill read third time.

Remarks by Assemblyman Ellison.

#### ASSEMBLYMAN ELLISON:

Assembly Bill 379 authorizes the owner or occupant of property where an abandoned recreational vehicle[RV] is located to apply for the Department of Motor Vehicles[DMV] for a letter of abandonment. Before applying for a letter of abandonment, the property owner or occupant must attempt to locate the legal owner of the RV and notify the person that if the ownership is not claimed and the RV is not removed within 60 days, the property owner or occupant will apply for a letter of abandonment. If the owner of the RV cannot be located, the property owner or occupant must place a notice in the local newspaper in the county in which the RV is located stating that if the RV is not claimed and removed within 60 days after the publication date of the newspaper, the property owner or occupant will apply for a letter of abandonment.

This bill also requires a municipal solid waste landfill to accept the RV for disposal if the person disposing of the RV provides either the title to the vehicle or a letter of abandonment issued by the DMV, and if accepting the RV for disposal does not violate any applicable federal or state law or regulation relating to the operation of the municipal solid waste landfill. This bill will become effective July 1, 2013.

Roll call on Assembly Bill No. 379:

YEAS—39.

NAYS—None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 379 having received a two-thirds constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 389.

Bill read third time.

Remarks by Assemblywoman Cohen.

## ASSEMBLYWOMAN COHEN:

Assembly Bill 389 authorizes the court to make the child a party to an action to determine parentage or to appoint a guardian ad litem for a minor child in such an action, if the court determines it is necessary. The bill also deletes existing provisions that require the district attorney or the Division of Welfare and Supportive Services, Department of Health and Human Services, to act as guardian ad litem.

Roll call on Assembly Bill No. 389:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 389 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 407.

Bill read third time.

Remarks by Assemblyman Hickey.

#### ASSEMBLYMAN HICKEY:

Assembly Bill 407 amends state law relative to residency requirements for eligibility purposes for public office by deleting the reference to a person's "actual residence" and the provision relative to a person with multiple residences. Instead, the bill defines residency as, "that place where the person has been actually, physically, and corporeally living."

The measure provides that moving outside of the district in which a person is required to reside to be a candidate for that office is an impeachable act of malfeasance for those officers impeachable under Article 7 of the *Nevada Constitution*.

This bill further clarifies that a person who receives a certificate of election or appointment to office as a legislator may be removed from office for not residing in his or her district only through expulsion from the legislator's own house of the Legislature. However, the election of a legislator may be contested on the grounds that the person does not reside in the district from which he or she is a legislator. The bill limits the financial cost potentially incurred to contest a candidate of a general election for the office of state legislator. This measure is effective, if passed, October 1, 2013.

Roll call on Assembly Bill No. 407:

YEAS-39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 407 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 415.

Bill read third time.

Remarks by Assemblyman Frierson.

ASSEMBLYMAN FRIERSON:

Assembly Bill 415 provides that the crime of burglary does not include the act of entering a commercial establishment during business hours with the intent to commit a petit larceny, unless the person who enters has two or more previous convictions for petit larceny in a commercial establishment within the last seven years.

This measure also creates the Special Account for the Support of the Advisory Commission on the Administration of Justice and requires the Advisory Commission to review sentencing for

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all criminal offenses, the current system of parole, and potential legislation relating to offenders for whom traditional imprisonment is not considered appropriate.

Assembly Bill 415 was a result of a significant amount of bipartisan work to take a look at our criminal sentencing and criminal procedures, to at least put forth an effort to try to make sure that our punishment reflects the behavior. The bill started out with a significant number of proposals, but with all the stakeholders at the table, resulted in us saying that shoplifting is shoplifting and that you should not be exposed to a one-to ten-year sentence for shoplifting. There is a provision that allows for a habitual shoplifter to be addressed, but at least for the typical shoplifter, under few circumstances—whether they believe that person should be exposed to a one-to ten-year sentence—the remainder of the bill refers criminal measures, as a few other bills have done, to the Advisory Commission on the Administration of Justice to further look at it and take the proper amount of time to make a well thought out decision about how we move forward and protect Nevada citizens while being smart with the limited resources that we have.

Roll call on Assembly Bill No. 415:

YEAS—39.

NAYS-None.

EXCUSED—Benitez-Thompson, Pierce—2.

VACANT—1.

Assembly Bill No. 415 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

## MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Horne moved that Senate Bills Nos. 59, 176, 276, 309, 344, 345, 382, 442, and 505 be taken from the First Reading File and placed on the First Reading for the next legislative day.

Motion carried.

Assemblyman Horne moved that Assembly Bills Nos. 54, 77, 90, 182, 202, 321, 421, 434, 438, 441, 442, 453, 455, 460; Senate Bill No. 139, be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

#### REMARKS FROM THE FLOOR

Assemblyman Horne requested the following proclamation be entered in the Journal.

# A PROCLAMATION BY THE GOVERNOR RECOGNIZING GEORGE HICKEY

WHEREAS, George Hickey is a native Nevadan and was born in Gardnerville on April 19, 1913, on the Hickey Homestead Ranch; and

WHEREAS, his parents immigrated to the Carson Valley in the 1870's and he will be celebrating his  $100^{\rm th}$  birthday tomorrow, April 19; and

WHEREAS, George Hickey is a WWII Veteran, having served in the Army as a Master Sergeant, where he has decorated for his service along the Burma Highway with a Bronze Star; and

WHEREAS, upon his return from the War, George inherited his father's ice business at Lake Tahoe, started a heating oil business where he served customers like baseball legend, Ty Cobb, and also served as Post Master in Bijou, South Lake Tahoe; and

WHEREAS, with assistance from the U.S. Forest Service, George Hickey created the first garbage company at South Lake Tahoe; and

WHEREAS, until last year, George resided with his son, Assemblyman Pat Hickey and currently resides at Park Place, in Northwest Reno;

NOW, THEREFORE, I, BRIAN SANDOVAL, GOVERNOR OF THE STATE OF NEVADA, do hereby proclaim April 19, 2013 as a day in honor of

#### GEORGE HICKEY

In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 26<sup>th</sup> day of March, 2013.

BRIAN SANDOVAL Governor ROSS MILLER Secretary of State

#### GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Assemblyman Aizley, the privilege of the floor of the Assembly Chamber for this day was extended to Tom Cox.

On request of Assemblyman Anderson, the privilege of the floor of the Assembly Chamber for this day was extended to Amy Henderson.

On request of Assemblyman Anderson, the privilege of the floor of the Assembly Chamber for this day was extended to Jackie Sevier and Amber Andreasen.

On request of Assemblywoman Benitez-Thompson, the privilege of the floor of the Assembly Chamber for this day was extended to Bernie Anderson.

On request of Assemblyman Bobzien, the privilege of the floor of the Assembly Chamber for this day was extended to Dan Miles.

On request of Assemblywoman Bustamante Adams, the privilege of the floor of the Assembly Chamber for this day was extended to Sara Gourdoux and Brandon Grider.

On request of Assemblywoman Carlton, the privilege of the floor of the Assembly Chamber for this day was extended to Mark Stevens, Steve Abba, and Gary Ghiggeri.

On request of Assemblyman Carrillo, the privilege of the floor of the Assembly Chamber for this day was extended to Teresa Cooper.

On request of Assemblywoman Cohen, the privilege of the floor of the Assembly Chamber for this day was extended to David Flatt.

On request of Assemblyman Daly, the privilege of the floor of the Assembly Chamber for this day was extended to Georgia Coulombe.

On request of Assemblywoman Diaz, the privilege of the floor of the Assembly Chamber for this day was extended to Linda Barba, Bernadette Howell, and Kim Swanson.

On request of Assemblywoman Dondero Loop, the privilege of the floor of the Assembly Chamber for this day was extended to Linda Johnson, Morse Arberry, and Bonnie Parnell.

On request of Assemblyman Duncan, the privilege of the floor of the Assembly Chamber for this day was extended to Marques Ivey.

On request of Assemblyman Eisen, the privilege of the floor of the Assembly Chamber for this day was extended to Laura Johnson.

On request of Assemblyman Ellison, the privilege of the floor of the Assembly Chamber for this day was extended to John Carpenter, Michelle Slagle, Dave Slagle, and Johnnie Marvel.

On request of Assemblywoman Flores, the privilege of the floor of the Assembly Chamber for this day was extended to Kelley Miner.

On request of Assemblyman Grady, the privilege of the floor of the Assembly Chamber for this day was extended to Dustin Marvel, Chris Slagle, Nick Slagle, and Pat Slagle.

On request of Assemblyman Hambrick, the privilege of the floor of the Assembly Chamber for this day was extended to Sheree Rosevear, Shari Andreasen, and Sharon Andreason.

On request of Assemblyman Hansen, the privilege of the floor of the Assembly Chamber for this day was extended to Jacqueline Slagle, Delanie Slagle, Sunny DeStefani, Joan Westover, and David Layton.

On request of Assemblyman Hardy, the privilege of the floor of the Assembly Chamber for this day was extended to Kirt Kirtley and Sue Smuskiewicz.

On request of Assemblyman Healey, the privilege of the floor of the Assembly Chamber for this day was extended to Julie Williams, Ashley Williams, and Renjith Moolakatt.

On request of Assemblyman Horne, the privilege of the floor of the Assembly Chamber for this day was extended to Tyrone Thompson.

On request of Assemblywoman Kirkpatrick, the privilege of the floor of the Assembly Chamber for this day was extended to David Goldwater and Richard Perkins.

On request of Assemblyman Kirner, the privilege of the floor of the Assembly Chamber for this day was extended to Tonya Clements, Niki Cutler, and the following students from Hunsberger Elementary School: Carly Beeg, Carson Billings, Eliza Bowen, Madison Callahan, Nikki Christie, Ryan Day, Harrison Desarle, Haley Estipona, Ava Gotchy, Morgan Harrison, Nick Hosilyk, Harris Hurley, Cameron King, Piper Klefman, Autumn McCuin, Baylee Mee, Teyvin Broadbent, Jack Nicely, Ben Palmer, Ivey Quintero, Evan Richardson, Ethan Rost, Ashton Sady, John Snelgrove, Brooks Watson, Jasmine Wells, Allison Christy, Samantha Clark, Joseph Curtis, Carter Dodd, Connor Dugan, Kallie Grady, Savannah Green, Layla Hansen, Luke Jackson, Taylor Jensen, Kole Johnson, Colin Klein, Joseph Kretzschmar, Morgan Louie, Ryan Mack, William McGee, Ethan Moreno, Hudson Neal, Chase Nelson, Alana Pankopf, Madison Rund, Sean Sady, Anika Schauss, Noamiti Selby, Taylor Singleton, Tara Spencer, Blake Watson, and Hayden Wittman.

On request of Assemblyman Livermore, the privilege of the floor of the Assembly Chamber for this day was extended to Leticia Servin.

On request of Assemblywoman Neal, the privilege of the floor of the Assembly Chamber for this day was extended to Amanda Ford.

On request of Assemblywoman Spiegel, the privilege of the floor of the Assembly Chamber for this day was extended to Tina Swanson.

On request of Assemblyman Sprinkle, the privilege of the floor of the Assembly Chamber for this day was extended to Tami Berg, Rebecca Andreasen, and Jackie Sevier.

On request of Assemblyman Stewart, the privilege of the floor of the Assembly Chamber for this day was extended to Amanda Phelps, Daren Phelps, Kimberly Smith, Dino Davis, and Tammy Davis.

On request of Assemblywoman Swank, the privilege of the floor of the Assembly Chamber for this day was extended to Raquel Eddib.

On request of Assemblyman Wheeler, the privilege of the floor of the Assembly Chamber for this day was extended to Linda Brown, Lynn Hettrick, and the following students from Rite of Passage Charter School: Audrianna Contreras, Brianna Dominguez, Aleigha Freitas, Roxy Garcia, Alexis Holman, Annays Jureidine, Martha Morales,

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Angela Perez, Janesa Ramirez, Robyn Rubio, Crystalann Smith, Jessica Wilson, and Destinee Moreno.

Assemblyman Horne moved that the Assembly adjourn until Monday, April 22, 2013, at 10:30 a.m.

Motion carried.

Assembly adjourned at 7:43 p.m.

Approved:

MARILYN K. KIRKPATRICK Speaker of the Assembly

Attest: SUSAN FURLONG

Chief Clerk of the Assembly