

THE ONE HUNDRED AND NINETEENTH DAY

CARSON CITY (Sunday), June 2, 2013

Assembly called to order at 4:07 p.m.

Madam Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Albert Tilstra.

Almighty God,

The giver of true freedom, awaken in us a new appreciation for our Nation and our state, that we may apply ourselves to keeping alive a real sense of liberty.

Thank You for our Nation's founders, their ideals, their principles, and their sacrifices. Thank You, Lord, for the long progression of statesmen and patriots who have guarded our rights and healed our land.

We thank You for the members of this Assembly, the staff who serve behind the scenes and work into the evening sustaining our well-being. In an hour where great issues are at stake, may those who serve rise to meet the challenges and strive to be faithful.

We pray in Your Holy Name.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Frierson 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 Education, to which was referred Senate Bill No. 328, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

ELLIOT T. ANDERSON, *Chair*

Madam Speaker:

Your Committee on Health and Human Services, to which was referred Senate Bill No. 3, 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 Ways and Means, to which were referred Assembly Bill No. 511; Senate Bill No. 516, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Ways and Means, to which was rereferred Assembly Bill No. 325, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass, as amended.

Also, your Committee on Ways and Means, to which were rereferred Assembly Bills Nos. 38, 239, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MAGGIE CARLTON, *Chair*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, June 1, 2013

To the Honorable the Assembly:

It is my pleasure to inform your esteemed body that the Senate on this day passed Assembly Bills Nos. 58, 151, 213, 294, 309, 336, 454, 464.

Also, it is my pleasure to inform your esteemed body that the Senate amended, and on this day passed, as amended, Assembly Bill No. 139, Amendment No. 916; Assembly Bill No. 153, Amendment No. 934; Assembly Bill No. 226, Amendment No. 928; Assembly Bill No. 435, Amendment No. 927, and respectfully requests your honorable body to concur in said amendments.

Also, it is my pleasure to inform your esteemed body that the Senate on this day receded from its action on Assembly Bill No. 95, Senate Amendments Nos. 766.

Also, it is my pleasure to inform your esteemed body that the Senate on this day respectfully refused to recede from its action on Assembly Bill No. 223, Senate Amendment No. 764, and requests a conference, and appointed Senators Parks, Spearman and Hammond as a Conference Committee to meet with a like committee of the Assembly.

Also, it is my pleasure to inform your esteemed body that the Senate on this day respectfully refused to recede from its action on Assembly Bill No. 339, Senate Amendment No. 653, and requests a conference, and appointed Senators Atkinson, Jones and Hutchison as a Conference Committee to meet with a like committee of the Assembly.

Also, it is my pleasure to inform your esteemed body that the Senate on this day concurred in the Assembly Amendments Nos. 899, 910 to Senate Bill No. 164; Assembly Amendments Nos. 629, 784 to Senate Bill No. 262; Assembly Amendment No. 703 to Senate Bill No. 428; Assembly Amendment No. 702 to Senate Bill No. 429.

Also, it is my pleasure to inform your esteemed body that the Senate on this day appointed Senators Jones, Ford and Hutchison as a Conference Committee concerning Senate Bill No. 38.

Also, it is my pleasure to inform your esteemed body that the Senate on this day appointed Senators Manendo, Jones and Hardy as a Conference Committee concerning Senate Bill No. 179.

Also, it is my pleasure to inform your esteemed body that the Senate on this day appointed Senators Kihuen, Hammond and Jones as a Conference Committee concerning Senate Bill No. 280.

Also, it is my pleasure to inform your esteemed body that the Senate on this day appointed Senators Spearman, Parks and Hammond as a Conference Committee concerning Senate Bill No. 364.

Also, it is my pleasure to inform your esteemed body that the Senate on this day appointed Senators Segerblom, Kihuen and Hammond as a Conference Committee concerning Senate Bill No. 389.

Also, it is my pleasure to inform your esteemed body that the Senate on this day appointed Senators Segerblom, Ford and Brower as a Conference Committee concerning Senate Bill No. 425.

SHERRY L. RODRIGUEZ
Assistant Secretary of the Senate

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Frierson moved that Assembly Bills Nos. 38, 239, and 325, just reported out of committee, be placed on the General File.

Motion carried.

Assemblyman Frierson moved that Assembly Bills Nos. 474, 505, and 507 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblywoman Carlton moved that all rules be suspended, reading so far had considered second reading, rules further suspended, and Assembly Bill No. 511 be declared an emergency measure under the constitution and placed on third reading and final passage.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee on Judiciary:

Assembly Bill No. 512—AN ACT relating to statutes; making technical corrections to certain measures passed by the 77th Legislative Session; and providing other matters properly relating thereto.

Assemblyman Frierson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

UNFINISHED BUSINESS

APPOINTMENT OF CONFERENCE COMMITTEES

Madam Speaker appointed Assemblymen Benitez-Thompson, Healey, and Stewart as a Conference Committee to meet with a like committee of the Senate for the further consideration of Assembly Bill No. 223.

Madam Speaker appointed Assemblymen Daly, Diaz, and Livermore as a Conference Committee to meet with a like committee of the Senate for the further consideration of Assembly Bill No. 339.

GENERAL FILE AND THIRD READING

Assembly Bill No. 511.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

I rise in support of Assembly Bill 511. This is known as our pay bill. This establishes the maximum allowable salaries for employees in the unclassified and classified-medical service. Assembly Bill 511 requires that the salary of each employee in all departments of state

government be restored by 2.5 percent. The bill requires 48 hours of unpaid furlough leave each year for full-time employees of all branches of state government, including the Nevada System of Higher Education and the Public Employees' Retirement System, but holds employees harmless in the accumulation of retirement service credit for time taken as furlough leave. This bill also provides an exception to the requirement of furlough leave for employees identified by their employing agency as critical in the protection of public health, safety, and welfare, with approval of the appropriate governing body. In lieu of furlough leave, these exempt employees will incur a 2.3 percent reduction in pay.

This bill makes appropriations from the General Fund and Highway Fund to provide for the difference in funding approved for the departments, commissions and agencies of the state and the actual salaries of each state employee, excluding any previous salary reductions.

The bill authorizes for the Department of Health and Human Services and the Department of Corrections to provide callback pay for unclassified medical positions and pharmacists to perform on-call responsibilities to ensure 24-hour coverage in psychiatric facilities. The bill also authorizes the Gaming Control Board to continue the credential pay plan, which provides up to \$5,000 annually for unclassified Gaming employees who possess a current Nevada certified public accountant certificate, a license to practice law, or are in a qualifying position as electronic laboratory engineer and possess a bachelor of science or higher degree in engineering, electronic engineering, or computer science.

Finally, the bill temporarily suspends four semi-annual longevity payments over the 2013-2015 biennium and merit pay salary increases in 2014 to state employees who would otherwise be entitled to a salary increase during the period beginning July 1, 2013, to June 30, 2014. At the end of the suspension, beginning in the following fiscal year, the merit pay increases will go back into effect.

In essence, to break it down very simply, the biggest discussion points in the pay bill were restoration of the 2.5 percent, still 6 furlough days each year, and in the second year of the biennium the one step will come back to all employees who have had that suspended since the beginning when we first started doing this. I'd be happy to stand for any questions, and any members of the body that would like copies of any floor statements that I do, please contact me and I will be happy to provide them to anyone who would like to keep them for their file.

Roll call on Assembly Bill No. 511:

YEAS—40.

NAYS—Fiore.

EXCUSED—Horne.

Assembly Bill No. 511 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 474.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

I rise in support of Assembly Bill 474. Assembly Bill 474, as amended, provides General Fund appropriations to restore fund balances in various accounts authorized in Chapter 353 of the NRS. The General Fund appropriations include \$3 million to restore the balance of the Stale Claims Account, \$100,000 to restore the balance of the Emergency Account, \$3 million to restore the balance of the Reserve for Statutory Contingency Account, and \$8.3 million to restore the balance of the Contingency Account.

Assembly Bill 474, as amended, becomes effective upon passage and approval.

Roll call on Assembly Bill No. 474:

YEAS—40.

NAYS—Fiore.

EXCUSED—Horne.

Assembly Bill No. 474 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 505.

Bill read third time.

Remarks by Assemblywomen Carlton, Fiore, and Madam Speaker.

ASSEMBLYWOMAN CARLTON:

Assembly Bill 505 provides for the implementation of the 2013 CIP as approved by the money committees. The bill includes funding in the amount of approximately \$102.7 million for the Capital Improvement Program. The bill includes the following major funding sources to support the program: \$55.5 million in general obligation bonds, \$22.9 million in excess funding reallocated from projects approved in prior CIP, \$7.4 million in state Highway Funds for Department of Motor Vehicles projects, \$5.0 million from the Special Higher Education Capital Construction Fund, \$3.8 million in federal funds for the Office of the Military and the Department of Health and Human Services projects, and \$3.5 million in General Fund appropriations. I could go through and list a number of the different projects, Madam Speaker, but in my humble opinion, A.B. 505 is a jobs bill; we're putting people to work.

ASSEMBLYWOMAN FIORE:

So I get the 40 to Fiore—it's actually okay, I like it—but I really like time reading these bills, so without actually carefully going through them, that is why I'm voting no on these bills.

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

That's fine, but they have been on the desk for two days, and we didn't rush them. In all fairness, I did put them out there.

Roll call on Assembly Bill No. 505:

YEAS—39.

NAYS—Fiore, Wheeler—2.

EXCUSED—Horne.

Assembly Bill No. 505 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 507.

Bill read third time.

Remarks by Assemblywoman Carlton and Madam Speaker.

ASSEMBLYWOMAN CARLTON:

Assembly Bill 507, known as our General Appropriations Act, is the final result of the long deliberations by the Assembly Committee on Ways and Means and the Senate Committee on Finance. The General Appropriations Act and other appropriations bills considered throughout the session delineate the amount of General Fund support approved by the money committees for the operation of Nevada state government for the 2013-15 biennium. The General Fund

appropriations included in the General Appropriations Act total \$1,978,031,300 in 2014 and \$2,027,586,257 in 2015, or \$4.0 billion over the 2013-15 biennium, an increase of approximately \$163.8 million when compared to General Fund appropriations approved by the 2011 Legislature for the 2011-13 biennium. The Act includes Highway Fund appropriations totaling \$114,199,810 in 2014 and \$140,423,192 in 2015, a reduction of approximately \$27.5 million from the previous biennium.

I have before me a floor statement that is approximately 14 pages long and touches upon every area of state government. I can tell you that the Committee on Ways and Means, along with the big bills and budgets, worked on approximately 168 other bills, and we are into 1,000 hours of hearings on all these budget issues. We are working jointly with the Senate to close these appropriations so that we don't have any closing resolution problems, so we did do a lot of this in joint session, either full or through subcommittee, and I would be happy to address any area of government. I have a breakdown of each area, and I'll be happy to provide this document to all members of the body for their future reference on funding of state government.

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

What I would say to the body is that the state law, I believe, requires us to leave it on the desk for 24 hours. I'm about transparency, and I just want to point out that folks had the opportunity to read this. If there are any questions, now would be the time for us to ask.

ASSEMBLYWOMAN CARLTON:

I would be happy to hit any of the pertinent highlights, Madam Speaker, that you would like me to hit. Division of Child and Family Services, the Department of Corrections, et cetera.

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

Can you just go through a couple of them? Maybe Health and Human Services, because we had so many changes there this session? The education budget will come later today once we move this stuff to the Senate. You can come to committee hearings to hear that, but we must pass education first before anything else. Can you just hit a couple of the highlights?

ASSEMBLYWOMAN CARLTON:

Sure, Madam Speaker, I would be happy to. Under the Division of Health Care Financing and Policy, which was one of our biggest tasks this session, the money committees approved the Governor's recommendation to implement the second phase of the Medicaid Management Information System replacement project, including one new position to assist in the development of the procurement. Additionally, the money committees approved the Governor's recommendation to add four positions dedicated to various requirements of the Affordable Care Act and four positions to expand fraud, waste, and abuse activities within the division. The money committees also approved the FMAP, the Federal Medical Assistance Percentage rate, as amended, for the 2013-2015 biennium, which increased for 2015 by 0.65 percent compared to the rate used in the Executive Budget—and that's a classic adjustment that we make when we receive our new numbers.

The money committees also approved the Governor's amended caseload projections for the Medicaid and Nevada Check Up programs, decreasing projected General Fund appropriations by approximately \$2.8 million in 2014 and \$7.7 million in 2015. This includes caseload increases resulting from annual caseload growth, the implementation of the Affordable Care Act, and expansion of Medicaid to include adults ages 19 to 64 with household incomes up to 138 percent of the federal poverty level.

The money committees also approved the Governor's recommendation to extend the primary care provider rate increases mandated by the ACA for Medicaid providers through 2015 and include the rate increases for Nevada Check Up providers for the 2013-2015 biennium.

Additionally, the money committees approved the Governor's recommendation, as amended, to restore provider rate reductions imposed during the previous biennium in the Medicaid and Nevada Check Up accounts. The provider rate increases include a 15 percent rate increase for free-standing ambulatory surgery centers and ambulance services; approximately 6.86 percent rate increase, or partial restoration, for partial anesthesia services, a 28 percent increase for non-primary care obstetric services; and a 30 percent increase—which is a partial restoration—to the enhancement rate for pediatric surgical services.

The increase in provider rates required General Fund support of approximately \$6.0 million in 2014 and \$14.2 million in 2015.

The money committees also approved the Governor's recommendation to reduce the county contribution to the County Match Program and increase the General Fund appropriation by approximately \$1.3 million over the 2013-2015 biennium.

A subset of this would be the Division of Welfare and Supportive Services, and we could go through a portion of that, Madam Speaker, if you'd like.

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

Is there anybody in the body who's feeling uncomfortable at this point? Thank you.

Roll call on Assembly Bill No. 507:

YEAS—40.

NAYS—Fiore.

EXCUSED—Horne.

Assembly Bill No. 507 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 38.

Bill read third time.

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 945.

AN ACT relating to economic development; revising the provisions governing the partial abatement of certain taxes imposed on a new or expanded business; revising the provisions governing a deferment of the payment of the sales and use taxes due on certain property purchased by a new or expanded business; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to grant a partial abatement of property taxes, business taxes and sales and use taxes to a business that locates or expands in this State and meets certain qualifications for the abatement. (NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210) **Section 2** of this bill repeals those qualifications that apply solely to a business that furthers the development and refinement of intellectual property, a patent or a copyright into a commercial product. **Sections 3, 4, 8 and 9** of this bill make various changes

to those qualifications, including changes in the number of employees required and a requirement that any employees or capital investments used to qualify for the abatement must be retained at the location of the business for the first 5 years. **Sections 6.5, 7.3, 8, 9 and 9.5 of this bill establish the maximum duration and amount of the property tax and sales and use tax abatements available to a business that is or will be located in a historically underutilized business zone, a redevelopment area, an area eligible for a community development block grant or an enterprise community.** Section 5 of this bill, which expires by limitation on June 30, 2017, temporarily extends the maximum duration and amount of the property tax abatement available to a business that is or will be located in ~~an~~ **activated** foreign trade zone in this State.

Existing law authorizes the Office of Economic Development to grant to a new or expanded business in this State a deferment of the payment of sales and use taxes due on purchases of capital goods for a sales price of \$100,000 or more. (NRS 372.397, 374.402) **Sections 6 and 7** of this bill make various changes to the qualifications for such a deferment, including an increase in the required sales price to \$1 million and a requirement to retain the property at the location of the business in this State for the 5-year duration of the deferment, and require the taxpayer to begin making partial payments of the deferred taxes within 1 year after the deferment is granted.

Existing law authorizes the Director of the Office of Energy, in consultation with the Office of Economic Development, to grant a partial abatement of property taxes and local sales and use taxes to certain renewable energy facilities that locate in this State and meet certain qualifications for the abatement. (NRS 701A.300-701A.390) **Section 10** of this bill revises those qualifications to require that the capital investments used to qualify for the abatement must be retained at the location of the facility for the first 5 years.

Section 13 of this bill causes the tax abatements authorized pursuant to the amendatory provisions of this bill to cease to be effective on July 1, 2032.

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

Section 1. NRS 360.225 is hereby amended to read as follows:

360.225 1. During the course of an investigation undertaken pursuant to NRS 360.130 of a person claiming:

- (a) A partial abatement of property taxes pursuant to NRS 361.0687;
- (b) An exemption from taxes pursuant to NRS 363B.120;
- (c) A deferral of the payment of taxes on the sale of ~~capital goods~~ ***eligible property*** pursuant to NRS 372.397 or 374.402; or

(d) An abatement of taxes on the gross receipts from the sale, storage, use or other consumption of eligible machinery or equipment pursuant to NRS 374.357,

➡ the Department shall investigate whether the person meets the eligibility requirements for the abatement, partial abatement, exemption or deferral that the person is claiming.

2. If the Department finds that the person does not meet the eligibility requirements for the abatement, exemption or deferral which the person is claiming, the Department shall report its findings to the Office of Economic Development and take any other necessary actions.

Sec. 2. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361, 363B or 374 of NRS.

2. The Office of Economic Development shall approve an application for a partial abatement if the Office makes the following determinations:

(a) The business is consistent with:

(1) 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; and

(2) Any guidelines adopted by the Executive Director of the Office to implement the State Plan for Economic Development.

(b) The applicant has executed an agreement with the Office which must:

(1) Comply with the requirements of NRS 360.755;

(2) State that the business will, after the date on which ~~it is issued pursuant to subsection 4,~~ **becomes effective**, continue in operation in this State for a period specified by the Office, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection; and

(3) Bind the successors in interest of the business for the specified period.

(c) The business 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 business operates.

(d) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business meets at least two of the following requirements:

(1) The business will have 75 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$1,000,000 in this State.

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(e) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000, the business meets at least two of the following requirements:

(1) The business will have 15 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$250,000 in this State.

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(f) If the business is an existing business, the business meets at least two of the following requirements:

(1) The business will increase the number of employees on its payroll by 10 percent more than it employed in the immediately preceding fiscal year or by six employees, whichever is greater.

(2) The business will expand by making a capital investment in this State in an amount equal to at least 20 percent of the value of the tangible property possessed by the business in the immediately preceding fiscal year. The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

(I) County assessor of the county in which the business will expand, if the business is locally assessed; or

(II) Department, if the business is centrally assessed.

(3) The average hourly wage that will be paid by the existing business to its new employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will provide a health insurance plan for all new employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its new employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

~~[(g) In lieu of meeting the requirements of paragraph (d), (e) or (f), if the business furthers the development and refinement of intellectual property, a patent or a copyright into a commercial product, the business meets at least two of the following requirements:~~

~~—— (1) The business will have 10 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.~~

~~—— (2) Establishing the business will require the business to make a capital investment of at least \$500,000 in this State.~~

~~—— (3) The average hourly wage that will be paid by the new business to its employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:~~

~~—— (I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and~~

~~—— (II) The cost to the business for the benefits the business provides to its employees in this State will meet with minimum requirements established by the Office by regulation pursuant to subsection 8.]~~

3. Notwithstanding the provisions of subsection 2, the Office of Economic Development:

(a) Shall not consider an application for a partial abatement unless the Office has requested a letter of acknowledgment of the request for the abatement from any affected county, school district, city or town.

(b) May, if the Office determines that such action is necessary:

(1) Approve an application for a partial abatement by a business that does not meet the requirements set forth in paragraph (d), ~~[(e), (f) or (g)]~~ **(e) or (f)** of subsection 2;

(2) Make the requirements set forth in paragraph (d), ~~[(e), (f) or (g)]~~ **(e) or (f)** of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement.

4. If the Office of Economic Development approves an application for a partial abatement, the Office shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department;

(b) The Nevada Tax Commission; and

(c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer.

5. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the Executive Director of the Office of Economic Development, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 2.

6. If a business whose partial abatement has been approved pursuant to this section and is in effect ceases:

(a) To meet the requirements set forth in subsection 2; or

(b) Operation before the time specified in the agreement described in paragraph (b) of subsection 2,

➡ the business shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business 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.

7. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 6 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

(b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

8. The Office of Economic Development:

(a) Shall adopt regulations relating to the minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; and

(b) May adopt such other regulations as the Office of Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

9. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph ~~[(d), (e) or (g)] (d) or (e)~~ of subsection 2; and

(2) Any security that a business is required to post to qualify for a partial abatement pursuant to this section.

(b) May adopt such other regulations as the Nevada Tax Commission determines to be necessary to carry out the provisions of this section and NRS 360.755.

10. An applicant for an abatement who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 3. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development for a partial abatement of one or more of the taxes imposed on the new or expanded business pursuant to chapter 361, 363B or 374 of NRS.

2. The Office of Economic Development shall approve an application for a partial abatement if the Office makes the following determinations:

(a) The business is consistent with:

(1) 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; and

(2) Any guidelines adopted by the Executive Director of the Office to implement the State Plan for Economic Development.

(b) The applicant has executed an agreement with the Office which must:

(1) Comply with the requirements of NRS 360.755;

(2) State that the business will, after the date on which ~~the certificate of eligibility for the abatement is issued pursuant to subsection 4,~~ **the abatement becomes effective**, continue in operation in this State for a period specified by the Office, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection; and

(3) Bind the successors in interest of the business for the specified period.

(c) The business 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 business operates.

(d) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business meets at least two of the following requirements:

(1) The business will have ~~{75}~~ **50** or more full-time employees on the payroll of the business by the fourth **calendar** quarter ~~{that it is in operation.}~~ ***following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.***

(2) Establishing the business will require the business to make , ***not later than the date which is 2 years after the date on which the abatement becomes effective,*** a capital investment of at least \$1,000,000 in this State ~~{}~~ ***in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.***

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The business will , ***by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective,*** provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(e) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000, the business meets at least two of the following requirements:

(1) The business will have ~~{15}~~ **10** or more full-time employees on the payroll of the business by the fourth **calendar** quarter ~~{that it is in operation.}~~ ***following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.***

(2) Establishing the business will require the business to make , *not later than the date which is 2 years after the date on which the abatement becomes effective*, a capital investment of at least \$250,000 in this State ~~[-] in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.~~

(3) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year and:

(I) The business will , *by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective*, provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

(f) If the business is an existing business, the business meets at least two of the following requirements:

(1) ~~[-] The~~ *For a business in:*

(I) *A county whose population is 100,000 or more or a city whose population is 60,000 or more, the business will, by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective, increase the number of employees on its payroll in that county or city by 10 percent more than it employed in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective or by twenty-five employees, whichever is greater, who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; or*

(II) *A county whose population is less than 100,000 or a city whose population is less than 60,000, the business will , by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective, increase the number of employees on its payroll in that county or city by 10 percent more than it employed in the ~~immediately preceding~~ fiscal year *immediately preceding the fiscal year in which the abatement becomes effective* or by six employees, whichever is greater ~~[-]~~ , who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.*

(2) The business will expand by making a capital investment in this State , *not later than the date which is 2 years after the date on which the*

abatement becomes effective, in an amount equal to at least 20 percent of the value of the tangible property possessed by the business in the ~~immediately preceding~~ fiscal year ~~[-]~~ ***immediately preceding the fiscal year in which the abatement becomes effective, and the capital investment will be in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.*** The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

(I) County assessor of the county in which the business will expand, if the business is locally assessed; or

(II) Department, if the business is centrally assessed.

(3) The average hourly wage that will be paid by the existing business to its new employees in this State is at least the amount of the average hourly wage required to be paid by businesses pursuant to subparagraph (2) of either paragraph (a) or (b) of subsection 2 of NRS 361.0687, whichever is applicable, and:

(I) The business will , ***by the fourth calendar quarter following the calendar quarter in which the abatement becomes effective***, provide a health insurance plan for all new employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its new employees in this State will meet the minimum requirements for benefits established by the Office by regulation pursuant to subsection 8.

3. Notwithstanding the provisions of subsection 2, the Office of Economic Development:

(a) Shall not consider an application for a partial abatement unless the Office has requested a letter of acknowledgment of the request for the abatement from any affected county, school district, city or town.

(b) May, if the Office determines that such action is necessary:

(1) Approve an application for a partial abatement by a business that does not meet the requirements set forth in paragraph (d), (e) or (f) of subsection 2;

(2) Make the requirements set forth in paragraph (d), (e) or (f) of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement.

4. If the Office of Economic Development approves an application for a partial abatement, the Office shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department;

(b) The Nevada Tax Commission; and

(c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer.

5. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the Executive Director of the Office of Economic Development, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 2.

6. If a business whose partial abatement has been approved pursuant to this section and is in effect ceases:

(a) To meet the requirements set forth in subsection 2; or

(b) Operation before the time specified in the agreement described in paragraph (b) of subsection 2,

↪ the business shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business 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.

7. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 6 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

(b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

8. The Office of Economic Development:

(a) Shall adopt regulations relating to the minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; and

(b) May adopt such other regulations as the Office of Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

9. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph (d) or (e) of subsection 2; and

(2) Any security that a business is required to post to qualify for a partial abatement pursuant to this section.

(b) May adopt such other regulations as the Nevada Tax Commission determines to be necessary to carry out the provisions of this section and NRS 360.755.

10. An applicant for an abatement who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 3.5. NRS 360.757 is hereby amended to read as follows:

360.757 1. The Office of Economic Development shall not take any action on an application for any abatement of taxes pursuant to NRS 274.310, 274.320, 274.330 or 360.750 or any other specific statute unless the Office:

(a) Takes that action at a public ~~hearing~~ **meeting** conducted for that purpose; and

(b) At least 30 days before the ~~hearing~~ **meeting**, provides notice of the application to:

(1) The governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the pertinent business is or will be located;

(2) The governing body of any other political subdivision that could be affected by the abatement; and

(3) The general public.

2. The notice required by this section must set forth the date, time and location of the ~~hearing~~ **meeting** at which the Office of Economic Development will consider the application.

3. The Office of Economic Development shall adopt regulations relating to the notice required by this section.

Sec. 4. NRS 361.0687 is hereby amended to read as follows:

361.0687 1. A person who intends to locate or expand a business in this State may, pursuant to NRS 360.750, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter.

2. For a business to qualify pursuant to NRS 360.750 for a partial abatement from the taxes imposed by this chapter, the Office of Economic Development must determine that, in addition to meeting the other requirements set forth in subsection 2 of that section:

(a) If the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more:

(1) The business will , **not later than the date which is 2 years after the date on which the abatement becomes effective**, make a capital investment in the county **or city** of ~~that~~ :

(I) At least \$50,000,000 if the business is an industrial or manufacturing business ; or ~~that~~

(II) At least \$5,000,000 if the business is not an industrial or manufacturing business ~~§~~,

↪ ***in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; and***

(2) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

(b) If the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000:

(1) The business will , ***not later than the date which is 2 years after the date on which the abatement becomes effective,*** make a capital investment in the county ***or city*** of ~~§~~ :

(I) At least \$5,000,000 if the business is an industrial or manufacturing business ; or ~~§~~

(II) At least \$500,000 if the business is not an industrial or manufacturing business ~~§~~,

↪ ***in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; and***

(2) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

3. Except as otherwise provided in NRS 701A.210, if a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to NRS 360.750:

(a) The partial abatement must:

(1) Be for a duration of at least 1 year but not more than 10 years;

(2) Not exceed 50 percent of the taxes on personal property payable by a business each year pursuant to this chapter; and

(3) Be administered and carried out in the manner set forth in NRS 360.750.

(b) The Executive Director of the Office of Economic Development shall notify the county assessor of the county in which the business is ***or will be*** located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Office granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualifies for a partial abatement during the current fiscal year as to whether the

business is still eligible for the partial abatement in the next succeeding fiscal year.

Sec. 5. NRS 361.0687 is hereby amended to read as follows:

361.0687 1. A person who intends to locate or expand a business in this State may, pursuant to NRS 360.750, apply to the Office of Economic Development for a partial abatement from the taxes imposed by this chapter.

2. For a business to qualify pursuant to NRS 360.750 for a partial abatement from the taxes imposed by this chapter, the Office of Economic Development must determine that, in addition to meeting the other requirements set forth in subsection 2 of that section:

(a) If the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more:

(1) The business will, not later than the date which is 2 years after the date on which the abatement becomes effective, make a capital investment in the county or city of:

(I) At least ~~150,000,000~~ **\$5,000,000** if the business is an industrial or manufacturing business; or

(II) At least ~~5,000,000~~ **\$1,000,000** if the business is not an industrial or manufacturing business,

➤ in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; and

(2) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

(b) If the business is a new business in a county whose population is less than 100,000 or a city whose population is less than 60,000:

(1) The business will, not later than the date which is 2 years after the date on which the abatement becomes effective, make a capital investment in the county or city of:

(I) At least ~~5,000,000~~ **\$1,000,000** if the business is an industrial or manufacturing business; or

(II) At least ~~500,000~~ **\$250,000** if the business is not an industrial or manufacturing business,

➤ in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; and

(2) The average hourly wage that will be paid by the new business to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, as

established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

3. Except as otherwise provided in **subsection 4 and** NRS 701A.210, if a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to NRS 360.750:

(a) The partial abatement must:

(1) Be for a duration of at least 1 year but not more than 10 years;

(2) Not exceed 50 percent of the taxes on personal property payable by a business each year pursuant to this chapter; and

(3) Be administered and carried out in the manner set forth in NRS 360.750.

(b) The Executive Director of the Office of Economic Development shall notify the county assessor of the county in which the business is or will be located of the approval of the partial abatement, including, without limitation, the duration and percentage of the partial abatement that the Office granted. The Executive Director shall, on or before April 15 of each year, advise the county assessor of each county in which a business qualifies for a partial abatement during the current fiscal year as to whether the business is still eligible for the partial abatement in the next succeeding fiscal year.

4. Except as otherwise provided in NRS 701A.210, if a partial abatement from the taxes imposed by this chapter is approved by the Office of Economic Development pursuant to NRS 360.750 for a business which is or will be located in a foreign trade zone in this State, the partial abatement must:

(a) Be for a duration of at least 1 year but not more than ~~15~~ 5 years; and

(b) Not exceed ~~60~~ 75 percent of the taxes on personal property payable by a business each year pursuant to this chapter.

5. As used in this section, “foreign trade zone” means ~~an~~ an activated foreign trade zone established, operated and maintained in accordance with chapter 237A of NRS and any applicable federal laws.

Sec. 6. NRS 372.397 is hereby amended to read as follows:

372.397 1. ~~{Payment of the tax on the sale of capital goods for a sales price of \$100,000 or more may be deferred without interest in accordance with this section. If the sales price is:~~

~~—(a) At least \$100,000 but less than \$350,000, the tax must be paid within 12 months.~~

~~—(b) At least \$350,000 but less than \$600,000, the tax must be paid within 24 months.~~

~~—(c) At least \$600,000 but less than \$850,000, the tax must be paid within 36 months.~~

~~—(d) At least \$850,000 but less than \$1,000,000, the tax must be paid within 48 months.~~

~~—(e) One million dollars or more, the tax must be paid within 60 months.~~

~~→ Payment must be made in each month at a rate which is at least sufficient to result in payment of the total obligation within the permitted period.~~

~~—2.1~~ A person may apply to the Office of Economic Development for ~~[such]~~ a deferment ~~[1]~~ **of the payment of the tax on the sale of eligible property for a sales price of \$1,000,000 or more for use by the person in a business in this State.** If a purchase is made outside of the State from a retailer who is not registered with the Department, an application for a deferment must be made in advance or, if the purchase has been made, within 60 days after the date on which the tax is due. If a purchase is made in this State from a retailer who is registered with the Department and to whom the tax is paid, an application must be made within 60 days after the payment of the tax. If the application for a deferment is approved, the taxpayer is eligible for a refund of the tax paid.

~~{3.1}~~ 2. The Office of Economic Development shall certify the person's eligibility for a deferment **pursuant to this section** if:

(a) **The person meets the eligibility requirements set forth in NRS 360.750 for a partial abatement of the taxes imposed on the person pursuant to chapter 374 of NRS;**

(b) The purchase is consistent with the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053; and

~~{(b)}~~ (c) The Office determines that ~~[the]~~ :

(1) **The** deferment is a significant factor in the decision of the person to locate or expand a business in this State ~~[1]~~ ; and

(2) **The eligible property will be retained at the location of the person's business in this State until at least the date which is 5 years after the date on which the Office certifies the person's eligibility for the deferment.**

→ Upon certification, the Office shall immediately forward the deferment to the Nevada Tax Commission.

~~{4.1}~~ 3. Upon receipt of such a certification, the Nevada Tax Commission shall verify the sale, the price paid, ~~[and]~~ the date of the sale and ~~[assign]~~ the applicable period for payment of the deferred tax. It may require security for the payment in an amount which does not exceed the amount of tax deferred.

~~{5.1}~~ 4. **If the Office of Economic Development certifies a person's eligibility for a deferment pursuant to this section:**

(a) **Payment of the total amount of tax due on the sale of the eligible property must be deferred without interest for the 60-month period beginning on the date the Office makes that certification; and**

(b) Payment of the tax must be made in each month, beginning not later than the date which is 1 year after the date on which the Office makes that certification, at a rate which is at least sufficient to result in payment of the total obligation within the period described in paragraph (a).

5. The Nevada Tax Commission shall adopt regulations governing:

(a) The aggregation of related purchases which are made to expand a business, establish a new business, or renovate or replace ~~capital equipment;~~ *eligible property*; and

(b) The period within which such purchases may be aggregated.

6. *As used in this section, “eligible property” does not include any of the following capital assets:*

(a) Buildings or the structural components of buildings;

(b) Equipment used by a public utility;

(c) Equipment used for medical treatment;

(d) Machinery or equipment used in mining; or

(e) Machinery or equipment used in gaming.

Sec. 6.5. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person who maintains a business or intends to locate a business in a historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 in this State may, pursuant to the applicable provisions of NRS 274.310, 274.320 or 274.330, apply to the Office of Economic Development for an abatement from the taxes imposed by this chapter on the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use by a business which has been approved for an abatement pursuant to NRS 274.310, 274.320 or 274.330.

2. If an application for an abatement is approved pursuant to NRS 274.310, 274.320 or 274.330:

(a) The taxpayer is eligible for an abatement from the tax imposed by this chapter for:

(1) Except as otherwise provided in subparagraph (2), a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective, a minimum of \$200,000,000 in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established

pursuant to 24 C.F.R. Part 597, a duration of not less than 1 year but not more than 10 years.

(b) The abatement must be administered and carried out in the manner set forth in the applicable provisions of NRS 274.310, 274.320 or 274.330.

3. As used in this section, unless the context otherwise requires:

(a) "Data center" has the meaning ascribed to it in section 7.3 of this act.

(b) "Eligible machinery or equipment" means machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

(1) Buildings or the structural components of buildings;

(2) Equipment used by a public utility;

(3) Equipment used for medical treatment;

(4) Machinery or equipment used in mining; or

(5) Machinery or equipment used in gaming.

Sec. 7. NRS 374.402 is hereby amended to read as follows:

374.402 1. ~~{Payment of the tax on the sale of capital goods for a sales price of \$100,000 or more may be deferred without interest in accordance with this section. If the sales price is:~~

~~—(a) At least \$100,000 but less than \$350,000, the tax must be paid within 12 months.~~

~~—(b) At least \$350,000 but less than \$600,000, the tax must be paid within 24 months.~~

~~—(c) At least \$600,000 but less than \$850,000, the tax must be paid within 36 months.~~

~~—(d) At least \$850,000 but less than \$1,000,000, the tax must be paid within 48 months.~~

~~—(e) One million dollars or more, the tax must be paid within 60 months.~~

~~➔ Payment must be made in each month at a rate which is at least sufficient to result in payment of the total obligation within the permitted period.~~

~~—2.} A person may apply to the Office of Economic Development for {such} a deferment { } of the payment of the tax on the sale of eligible property for a sales price of \$1,000,000 or more for use by the person in a business in this State. If a purchase is made outside of the State from a retailer who is not registered with the Department, an application for a deferment must be made in advance or, if the purchase has been made, within 60 days after the date on which the tax is due. If a purchase is made in this State from a retailer who is registered with the Department and to whom the tax is paid, an application must be made within 60 days after the payment of the tax. If the application for a deferment is approved, the taxpayer is eligible for a refund of the tax paid.~~

~~{3-}~~ 2. The Office of Economic Development shall certify the person's eligibility for a deferment *pursuant to this section* if:

(a) *The person meets the eligibility requirements set forth in NRS 360.750 for a partial abatement of the taxes imposed on the person pursuant to this chapter;*

(b) The purchase is consistent with the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053; and

~~{(b)}~~ (c) The Office determines that ~~{the}~~ :

(1) *The deferment is a significant factor in the decision of the person to locate or expand a business in this State* ~~{-}~~; and

(2) *The eligible property will be retained at the location of the person's business in this State until at least the date which is 5 years after the date on which the Office certifies the person's eligibility for the deferment.*

➤ Upon certification, the Office shall immediately forward the deferment to the Nevada Tax Commission.

~~{4-}~~ 3. Upon receipt of such a certification, the Nevada Tax Commission shall verify the sale, the price paid, ~~{and}~~ the date of the sale and ~~{assign}~~ the applicable period for payment of the deferred tax. It may require security for the payment in an amount which does not exceed the amount of tax deferred.

~~{5-}~~ 4. *If the Office of Economic Development certifies a person's eligibility for a deferment pursuant to this section:*

(a) *Payment of the total amount of tax due on the sale of the eligible property must be deferred without interest for the 60-month period beginning on the date the Office makes that certification; and*

(b) *Payment of the tax must be made in each month, beginning not later than the date which is 1 year after the date on which the Office makes that certification, at a rate which is at least sufficient to result in payment of the total obligation within the period described in paragraph (a).*

5. The Nevada Tax Commission shall adopt regulations governing:

(a) The aggregation of related purchases which are made to expand a business, establish a new business, or renovate or replace ~~{capital equipment;}~~ *eligible property*; and

(b) The period within which such purchases may be aggregated.

6. *As used in this section, "eligible property" does not include any of the following capital assets:*

(a) *Buildings or the structural components of buildings;*

(b) *Equipment used by a public utility;*

(c) *Equipment used for medical treatment;*

(d) *Machinery or equipment used in mining; or*

(e) *Machinery or equipment used in gaming.*

Sec. 7.3. Chapter 274 of NRS is hereby amended by adding thereto a new section to read as follows:

“Data center” means one or more buildings located at one physical location which house a group of networked server computers for the purpose of centralizing the storage, management and dissemination of data and information pertaining to a particular business and includes the associated telecommunications and storage systems at the location.

Sec. 7.7. NRS 274.010 is hereby amended to read as follows:

274.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 274.020 to 274.080, inclusive, **and section 7.3 of this act** have the meanings ascribed to them in those sections.

Sec. 8. NRS 274.310 is hereby amended to read as follows:

274.310 1. A person who intends to locate a business in this State within:

(a) A historically underutilized business zone, as defined in 15 U.S.C. § 632;

(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

(c) An area eligible for a community development block grant pursuant to 24 C.F.R. Part 570; or

(d) An enterprise community established pursuant to 24 C.F.R. Part 597, ↪ may submit a request to the governing body of the county, city or town in which the business would operate for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business would operate. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

2. The governing body of a county, city or town shall develop procedures for:

(a) Evaluating whether such an abatement would be beneficial for the economic development of the county, city or town.

(b) Issuing a certificate of endorsement for an application for such an abatement that is found to be beneficial for the economic development of the county, city or town.

3. A person whose application has been endorsed by the governing body of the county, city or town, as applicable, pursuant to this section may submit the application to the Office of Economic Development. The Office shall approve the application if the Office makes the following determinations:

(a) The business is consistent with:

(1) The State Plan for Economic Development developed by the Administrator pursuant to subsection 2 of NRS 231.053; and

(2) Any guidelines adopted by the Administrator to implement the State Plan for Economic Development.

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which ~~the certificate of eligibility for the abatement is issued pursuant to subsection 4;~~ **becomes effective:**

(1) Commence operation and continue in operation in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 for a period specified by the Office, which must be at least 5 years; and

(2) Continue to meet the eligibility requirements set forth in this subsection.

➤ The agreement must bind successors in interest of the business for the specified period.

(c) The business 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 business will operate.

(d) The applicant invested or commits to invest a minimum of \$500,000 in capital ~~that will be retained at the location of the business in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date on which the abatement becomes effective.~~

4. If the Office of Economic Development approves an application for a partial abatement, the Office shall immediately forward a certificate of eligibility for the abatement to:

(a) The Department of Taxation;

(b) The Nevada Tax Commission; and

(c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer of the county in which the business will be located.

5. **If the Office of Economic Development approves an application for a partial abatement pursuant to this section:**

(a) The partial abatement must:

(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of \$200,000,000 in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597, be for a duration of not less than 1 year but not more than 10 years.

(b) If the abatement is from the property tax imposed pursuant to chapter 361 of NRS, the partial abatement must not exceed 75 percent of the taxes on personal property payable by a business each year pursuant to that chapter.

6. If a business whose partial abatement has been approved pursuant to this section and is in effect ceases:

(a) To meet the eligibility requirements for the partial abatement; or

(b) Operation before the time specified in the agreement described in paragraph (b) of subsection 3,

→ the business shall repay to the Department of Taxation or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business 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.

~~6.7.~~ 7. The Office of Economic Development may adopt such regulations as the Office determines to be necessary or advisable to carry out the provisions of this section.

~~7.7.~~ 8. An applicant for an abatement who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 9. NRS 274.320 is hereby amended to read as follows:

274.320 1. A person who intends to expand a business in this State within:

(a) A historically underutilized business zone, as defined in 15 U.S.C. § 632;

(b) A redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive;

(d) An enterprise community established pursuant to 24 C.F.R. Part 597, may submit a request to the governing body of the county, city or town in which the business operates for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of the taxes imposed on capital equipment pursuant to chapter 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

(a) Evaluating whether such an abatement would be beneficial for the economic development of the county, city or town.

3. A person whose application has been endorsed by the governing body of the county, city or town, as applicable, pursuant to this section may submit the application to the Office of Economic Development. The Office shall approve the application if the Office makes the following determinations:

(1) The State Plan for Economic Development developed by the Administrator pursuant to subsection 2 of NRS 231.053; and

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which ~~a certificate of eligibility for~~ the abatement ~~is issued pursuant to subsection 4.1~~ **becomes effective:**

(2) Continue to meet the eligibility requirements set forth in this subsection.

- The agreement must bind successors in interest of the business for the specified period.

(c) The business 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 business operates.

(d) The applicant invested or commits to invest a minimum of \$250,000 in capital equipment ~~that~~ ***that will be retained at the location of the business in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597 until at least the date which is 5 years after the date on which the abatement becomes effective.***

4. If the Office of Economic Development approves an application for a partial abatement, the Office shall immediately forward a certificate of eligibility for the abatement to:

- (a) The Department of Taxation; and
- (b) The Nevada Tax Commission.

5. ***If the Office of Economic Development approves an application for a partial abatement pursuant to this section:***

(a) The partial abatement must:

(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of \$200,000,000 in the historically underutilized business zone, as defined in 15 U.S.C. § 632, redevelopment area created pursuant to NRS 279.382 to 279.685, inclusive, area eligible for a community development block grant pursuant to 24 C.F.R. Part 570 or enterprise community established pursuant to 24 C.F.R. Part 597, be for a duration of not less than 1 year but not more than 10 years.

(b) If the abatement is from the property tax imposed pursuant to chapter 361 of NRS, the partial abatement must not exceed 75 percent of the taxes on personal property payable by a business each year pursuant to that chapter.

6. If a business whose partial abatement has been approved pursuant to this section and is in effect ceases:

- (a) To meet the eligibility requirements for the partial abatement; or
 - (b) Operation before the time specified in the agreement described in paragraph (b) of subsection 3,
- ↪ the business shall repay to the Department of Taxation the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section.

Except as otherwise provided in NRS 360.232 and 360.320, the business 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.

~~6.7.~~ 7. The Office of Economic Development may adopt such regulations as the Office determines to be necessary or advisable to carry out the provisions of this section.

~~7.1.~~ 8. An applicant for an abatement who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

Sec. 9.5. NRS 274.330 is hereby amended to read as follows:

274.330 1. A person who owns a business which is located within an enterprise community established pursuant to 24 C.F.R. Part 597 in this State may submit a request to the governing body of the county, city or town in which the business is located for an endorsement of an application by the person to the Office of Economic Development for a partial abatement of one or more of the taxes imposed pursuant to chapter 361 or 374 of NRS. The governing body of the county, city or town shall provide notice of the request to the board of trustees of the school district in which the business operates. The notice must set forth the date, time and location of the hearing at which the governing body will consider whether to endorse the application.

2. The governing body of a county, city or town shall develop procedures for:

(a) Evaluating whether such an abatement would be beneficial for the economic development of the county, city or town.

(b) Issuing a certificate of endorsement for an application for such an abatement that is found to be beneficial for the economic development of the county, city or town.

3. A person whose application has been endorsed by the governing body of the county, city or town, as applicable, pursuant to this section may submit the application to the Office of Economic Development. The Office shall approve the application if the Office makes the following determinations:

(a) The business is consistent with:

(1) The State Plan for Economic Development developed by the Administrator pursuant to subsection 2 of NRS 231.053; and

(2) Any guidelines adopted by the Administrator to implement the State Plan for Economic Development.

(b) The applicant has executed an agreement with the Office which states that the business will, after the date on which ~~the certificate of eligibility for~~ the abatement ~~is issued pursuant to subsection 4.~~ ***becomes effective:***

(1) Continue in operation in the enterprise community for a period specified by the Office, which must be at least 5 years; and

(2) Continue to meet the eligibility requirements set forth in this subsection.

➔ The agreement must bind successors in interest of the business for the specified period.

(c) The business 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 business operates.

(d) The business:

(1) Employs one or more dislocated workers who reside in the enterprise community; and

(2) Pays such employees a wage of not less than 100 percent of the federally designated level signifying poverty for a family of four persons and provides medical benefits to the employees and their dependents.

4. If the Office of Economic Development approves an application for a partial abatement, the Office shall:

(a) Determine the percentage of employees of the business which meet the requirements of paragraph (d) of subsection 3 and grant a partial abatement equal to that percentage; and

(b) Immediately forward a certificate of eligibility for the abatement to:

(1) The Department of Taxation;

(2) The Nevada Tax Commission; and

(3) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the county treasurer of the county in which the business is located.

5. **If the Office of Economic Development approves an application for a partial abatement pursuant to this section:**

(a) The partial abatement must:

(1) Except as otherwise provided in subparagraph (2), be for a duration of not less than 1 year but not more than 5 years; or

(2) If the business is a data center that has invested or commits to invest during the period in which the abatement is effective a minimum of \$200,000,000 in the enterprise community established pursuant to 24 C.F.R. Part 597, be for a duration of not less than 1 year but not more than 10 years.

(b) If the abatement is from the property tax imposed pursuant to chapter 361 of NRS, the partial abatement must not exceed 75 percent of

the taxes on personal property payable by a business each year pursuant to that chapter.

6. If a business whose partial abatement has been approved pursuant to this section and is in effect ceases:

(a) To meet the eligibility requirements for the partial abatement; or

(b) Operation before the time specified in the agreement described in paragraph (b) of subsection 3,

→ the business shall repay to the Department of Taxation or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the county treasurer, the amount of the exemption that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business 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.

~~6.1~~ **7.** The Office of Economic Development:

(a) Shall adopt regulations relating to the minimum level of benefits that a business must provide to its employees to qualify for an abatement pursuant to this section.

(b) May adopt such other regulations as the Office determines to be necessary or advisable to carry out the provisions of this section.

~~7.1~~ **8.** An applicant for an abatement who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

~~8.1~~ **9.** As used in this section, “dislocated worker” means a person who:

(a) Has been terminated, laid off or received notice of termination or layoff from employment;

(b) Is eligible for or receiving or has exhausted his or her entitlement to unemployment compensation;

(c) Has been dependent on the income of another family member but is no longer supported by that income;

(d) Has been self-employed but is no longer receiving an income from self-employment because of general economic conditions in the community or natural disaster; or

(e) Is currently unemployed and unable to return to a previous industry or occupation.

Sec. 10. NRS 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, 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 ~~the certificate of eligibility for~~ the abatement ~~is issued pursuant to NRS 701A.370,~~ **becomes effective**, 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 abatement; 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.

(c) 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 ~~that~~ **in capital assets that will be retained at the location of the facility until at least the date which is 5 years after the date on which the abatement becomes effective;**

(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) The employees working on the construction of the facility must 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.

(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 ~~to~~ ***in capital assets that will be retained at the location of the facility until at least the date which is 5 years after the date on which the abatement becomes effective;***

(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) The employees working on the construction of the facility must 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.

(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 Director shall cooperate with the Office of Economic Development in carrying out the provisions of this section.

5. 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.

Sec. 11. The Legislature hereby finds that each exemption provided by this act from any ad valorem tax on property or excise tax on the sale, storage, use or consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and that the benefits of the exemption are expected to exceed any adverse effect of the exemption on the provision of services to the public by the State or a local government that would otherwise receive revenue from the tax from which the exemption would be granted; and

2. Will not impair adversely the ability of the State or a local government to pay, when due, all interest and principal on any outstanding bonds or any

other obligations for which revenue from the tax from which the exemption would be granted was pledged.

Sec. 12. 1. The amendatory provisions of sections 1 to 10, inclusive, of this act do not apply to or otherwise affect any abatement of taxes or deferment of the payment of taxes approved by the Office of Economic Development or the Director of the Office of Energy before July 1, 2013.

2. The expiration of section 5 of this act by limitation pursuant to section 15 of this act does not affect any abatement of taxes approved by the Office of Economic Development before July 1, 2017.

Sec. 13. Notwithstanding the provisions of NRS 274.310, 274.320, 360.750, 361.0687, 363B.120, 374.357, 701A.210 and 701A.300 to 701A.390, inclusive, a person is not, after June 30, 2032, entitled to any abatement of taxes approved by the Office of Economic Development or the Director of the Office of Energy pursuant to those provisions on or after July 1, 2013, and before July 1, 2032.

Sec. 14. The provisions of NRS 218D.355 do not apply to this act.

Sec. 15. 1. This act becomes effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and

(b) On July 1, 2013, for all other purposes.

2. Section 5 of this act expires by limitation on June 30, 2017.

3. Sections 3, 4, ~~6.5, 10, 91~~ and 7.3 to 10, inclusive, of this act expire by limitation on June 30, 2032.

Assemblywoman Carlton moved the adoption of the amendment.

Remarks by Assemblywoman Carlton.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 239.

Bill read third time.

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 944.

AN ACT relating to energy; authorizing the Director of the Office of Energy to charge and collect certain fees from applicants for certain energy-related tax incentives; revising provisions relating to eligibility for and approval of applicants for certain energy-related tax incentives; **revising permissible uses of money in the Renewable Energy Fund;** revising provisions relating to **land use planning and** the granting **by local governments** of permits for the construction of certain utility projects; establishing the Economic Development Electric Rate Rider Program;

requiring the Public Utilities Commission of Nevada, in consultation with the Office of Economic Development, to administer the Program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Director of the Office of Energy to grant partial abatements of certain taxes to eligible applicants. (NRS 701A.110, 701A.115, 701A.360, 701A.390) **Sections 1, 2 and 7** of this bill authorize the Director to charge and collect a fee from each applicant in an amount not to exceed the actual cost to the Director of processing the application. **Section 3** of this bill removes from the list of persons who are eligible for a partial abatement of certain taxes a person who operates a facility for the transmission of electricity generated from renewable energy or geothermal resources. **Section 4** of this bill ~~deletes~~ **revises** the authority of a board of county commissioners **relating to** ~~approve~~ **the approval of** an application for a partial abatement of taxes submitted by a person who operates a facility for the generation of electricity from ~~geothermal resources. Section 5 of this bill revises the amount of the partial abatement of property taxes for which certain applicants may be eligible.~~ **renewable energy. Section 4 additionally revises provisions governing the wages and benefits that must be provided to employees working on the construction of such a facility.** **Section 6** of this bill removes the requirement that a certain percentage of the property taxes collected from a person who is receiving a partial abatement of taxes which would otherwise be allocated and distributed to local governments be deposited in the Renewable Energy Fund.

Section 7.5 of this bill revises the permissible uses by the Director of money in the Renewable Energy Fund.

Sections 10-21 of this bill establish the Economic Development Electric Rate Rider Program, a 5-year program to encourage the location or relocation of new commercial and industrial businesses in this State by providing discounted rates for electricity to eligible participants. **Section 14** requires the Public Utilities Commission of Nevada, in consultation with the Office of Economic Development, to administer the Program. **Section 14** additionally requires **the Commission to establish an amount of electric generating capacity, not to exceed 50 megawatts,** that each electric utility in this State **is required to** set aside ~~[50 megawatts of capacity]~~ for allocation pursuant to the Program. **Section 15** authorizes a person who, in anticipation of the incentive provided pursuant to the Program, locates or intends to locate a new commercial or industrial business in this State to submit an application to the Office of Economic Development to participate in the Program. **Section 15** requires an applicant to obtain initial approval and a letter of eligibility from the Office. Once an applicant has obtained initial approval and a letter of eligibility from the Office, **section 16** requires the Commission

to establish the discounted rates for electricity available to the applicant and to establish and approve the terms of the contract which the applicant must enter into with an electric utility. **Section 17** provides that an electric utility ~~may~~ **is required to** recover the amount of the discount provided to a participant from the deferred energy account of the electric utility. **Section 21** requires the Commission to prepare and submit a report to the Legislature concerning the Program.

Section 21.5 of this bill provides that a public utility is not required to include a utility facility, the construction of which has been approved by the Commission, in the integrated resource plan of the utility if the facility is not intended to serve customers in this State and the cost of the facility will not be included in the rates charged by the utility.

Existing law requires a person who wishes to obtain a permit for a utility facility to file certain applications with the Commission if a federal agency is required to conduct an environmental analysis of the proposed utility facility. (NRS 704.870) **Sections 23 and 24** of this bill require such a person to file a notice with the Commission not later than the date on which the person files with the appropriate federal agency.

~~Sections 19 and 27~~ **27.1-27.9** of this bill revise provisions relating to land use permits ~~to provide that the Commission is the sole authority for the granting of a land use permit~~ for the construction of certain utility projects. ~~[Section 9 requires the Commission to adopt regulations providing for the issuance of such permits.]~~ **Section 27.5 requires a planning commission or governing body that is required to prepare and adopt a master plan to include in the master plan an aboveground utility plan. Section 27.7 requires each governing body of a local government to establish a process for the issuance of: (1) permits for the construction of aboveground utility projects; (2) special use permits for the construction of aboveground utility projects which are to be constructed outside of the corridors identified in the master plan; and (3) special use permits for the construction of renewable energy generation projects with a nameplate capacity of 10 megawatts or more. Section 27.9 provides that an applicant for such a special use permit may appeal certain decisions of the planning commission or governing body concerning the application to the Public Utilities Commission of Nevada.**

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

Section 1. NRS 701A.110 is hereby amended to read as follows:

701A.110 1. Except as otherwise provided in this section, the Director, in consultation with the Office of Economic Development, shall grant a partial abatement from the portion of the taxes imposed pursuant to chapter

361 of NRS, other than any taxes imposed for public education, on a building or other structure that is determined to meet the equivalent of the silver level or higher by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100, if:

(a) No funding is provided by any governmental entity in this State for the acquisition, design or construction of the building or other structure or for the acquisition of any land therefor. For the purposes of this paragraph:

(1) Private activity bonds must not be considered funding provided by a governmental entity.

(2) The term "private activity bond" has the meaning ascribed to it in 26 U.S.C. § 141.

(b) The owner of the property:

(1) Submits an application for the partial abatement to the Director. If such an application is submitted for a project that has not been completed on the date of that submission and there is a significant change in the scope of the project after that date, the application must be amended to include the change or changes.

(2) Except as otherwise provided in this subparagraph, provides to the Director, within 48 months after applying for the partial abatement, proof that the building or other structure meets the equivalent of the silver level or higher, as determined by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100. The Director may, for good cause shown, extend the period for providing such proof.

(3) Files a copy of each application and amended application submitted to the Director pursuant to subparagraph (1) with the:

(I) Chief of the Budget Division of the Department of Administration;

(II) Department of Taxation;

(III) County assessor;

(IV) County treasurer;

(V) Office of Economic Development;

(VI) Board of county commissioners; and

(VII) City manager and city council, if any.

(c) The abatement 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. As soon as practicable after the Director receives the application and proof required by subsection 1, the Director, in consultation with the Office of Economic Development, shall determine whether the building or other structure is eligible for the abatement and, if so, forward a certificate of eligibility for the abatement to the:

- (a) Department of Taxation;
- (b) County assessor;
- (c) County treasurer; and
- (d) Office of Economic Development.

3. The Director may, with the assistance of the Chief of the Budget Division and the Department of Taxation, publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on the State and on each affected local government. If the Director publishes a fiscal note that estimates the fiscal impact of the partial abatement on local government, the Director shall forward a copy of the fiscal note to each affected local government. As soon as practicable after receiving a copy of a certificate of eligibility pursuant to subsection 2, the Department of Taxation shall forward a copy of the certificate to each affected local government.

4. The partial abatement:

(a) Must be for a duration of not more than 10 years and in an annual amount that equals, for a building or other structure that meets the equivalent of:

(1) The silver level, 25 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land;

(2) The gold level, 30 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land; or

(3) The platinum level, 35 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land.

(b) Does not apply during any period in which the owner of the building or other structure is receiving another abatement or exemption pursuant to this chapter or NRS 361.045 to 361.159, inclusive, from the taxes imposed pursuant to chapter 361 of NRS.

(c) Terminates upon any determination by the Director that the building or other structure has ceased to meet the equivalent of the silver level or higher. The Director shall provide notice and a reasonable opportunity to cure any noncompliance issues before making a determination that the building or other structure has ceased to meet that standard. The Director shall immediately provide notice of each determination of termination to the:

- (1) Department of Taxation, who shall immediately notify each affected local government of the determination;
- (2) County assessor;

- (3) County treasurer; and
- (4) Office of Economic Development.

(d) Must not be for an existing building or structure that is renovated.

5. If a partial abatement terminates pursuant to paragraph (c) of subsection 4, the owner of the property to which the partial abatement applied shall repay to the county treasurer the amount of the exemption that was allowed pursuant to this section before the date of that termination. The owner 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.

6. The Director, in consultation with the Office of Economic Development, shall adopt regulations:

(a) Establishing the qualifications and methods to determine eligibility for the abatement;

(b) Prescribing such forms as will ensure that all information and other documentation necessary to make an appropriate determination is filed with the Director; and

(c) Prescribing the criteria for determining when there is a significant change in the scope of a project for the purposes of subparagraph (1) of paragraph (b) of subsection 1,

☛ and the Department of Taxation shall adopt such additional regulations as it determines to be appropriate to carry out the provisions of this section.

7. The Director shall:

(a) Cooperate with the Office of Economic Development in carrying out the provisions of this section; and

(b) 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.

8. ***The Director may charge and collect a fee from each applicant who submits an application for a partial abatement pursuant to this section. The amount of the fee must not exceed the actual cost to the Director for processing the application and evaluating the proof submitted by the applicant pursuant to subsection 1 and making the determination concerning eligibility for the partial abatement required by subsection 2.***

9. As used in this section:

(a) “Building or other structure” does not include any building or other structure for which the principal use is as a residential dwelling for not more than four families.

(b) “Director” means the Director of the Office of Energy appointed pursuant to NRS 701.150.

(c) “Taxes imposed for public education” means:

(1) Any ad valorem tax authorized or required by chapter 387 of NRS;

(2) Any ad valorem tax authorized or required by chapter 350 of NRS for the obligations of a school district, including, without limitation, any ad valorem tax necessary to carry out the provisions of subsection 5 of NRS 350.020; and

(3) Any other ad valorem tax for which the proceeds thereof are dedicated to the public education of pupils in kindergarten through grade 12.

Sec. 2. NRS 701A.115 is hereby amended to read as follows:

701A.115 1. Except as otherwise provided in this section, the Director of the Office of Energy shall grant a partial abatement from the portion of taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, on an existing building or other structure which is renovated for use by a manufacturer if:

(a) The building or other structure is determined after the renovation to meet the equivalent of the silver level or higher by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100.

(b) The applicant:

(1) Is a manufacturer who intends to locate a new manufacturing business in this State;

(2) Employs at least 25 full-time employees at the new manufacturing business in this State during the entire period in which the applicant will receive the tax abatement; and

(3) The average hourly wage that will be paid by the manufacturer to its employees in this State is at least 100 percent of the average statewide hourly wage or the average countywide hourly wage, whichever is less, 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.

(c) No funding is provided by any governmental entity in this State for the acquisition, design, construction or renovation of the building or other structure or for the acquisition of any land therefore. For the purpose of this paragraph:

(1) Private activity bonds must not be considered funding provided by a governmental entity.

(2) The term “private activity bond” has the meaning ascribed to it in 26 U.S.C. § 141.

(d) The manufacturer:

(1) Submits an application for the abatement to the Director. If such an application is submitted for a project that has not been completed on the date of that submission and there is a significant change in the scope of the project after that date, the application must be amended to include the change or changes.

(2) Except as otherwise provided in this subparagraph, provides to the Director, within 48 months after applying for the abatement, proof that the building or other structure meets the equivalent of the silver level or higher, as determined by an independent contractor authorized to make that determination in accordance with the Green Building Rating System adopted by the Director pursuant to NRS 701A.100. The Director may, for good cause shown, extend the period for providing such proof.

(3) Files a copy of each application and amended application submitted to the Director pursuant to subparagraph (1) with the:

- (I) Chief of the Budget Division of the Department of Administration;
- (II) Department of Taxation;
- (III) County assessor;
- (IV) County treasurer;
- (V) Office of Economic Development;
- (VI) Board of county commissioners; and
- (VII) City manager and city council, if any.

2. As soon as practicable after the Director receives an application and proof required by subsection 1, the Director shall determine whether the building or other structure is eligible for the abatement and, if so, forward a certificate of eligibility for the abatement to the:

- (a) Department of Taxation;
- (b) County assessor;
- (c) County treasurer; and
- (d) Office of Economic Development.

3. As soon as practicable after receiving a copy of:

(a) An application pursuant to subparagraph (3) of paragraph (d) of subsection 1:

(1) The Chief of the Budget Division shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on the State; and

(2) The Department of Taxation shall publish a fiscal note that indicates an estimate of the fiscal impact of the partial abatement on each affected local government, and forward a copy of the fiscal note to each affected local government.

(b) A certificate of eligibility pursuant to subsection 2, the Department of Taxation shall forward a copy of the certificate to each affected local government.

4. The partial abatement:

(a) Must be for a duration not to exceed 1 year, and in an annual amount that equals, for a building or other structure that meets the equivalent of:

(1) The silver level, 25 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land;

(2) The gold level, 30 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land; or

(3) The platinum level, 35 percent of the portion of the taxes imposed pursuant to chapter 361 of NRS, other than any taxes imposed for public education, that would otherwise be payable for the building or other structure, excluding the associated land.

(b) Does not apply during any period in which the owner of the building or other structure is receiving another abatement or exemption pursuant to this chapter or NRS 361.045 to 361.159, inclusive, from the taxes imposed pursuant to chapter 361 of NRS.

(c) Terminates upon any determination by the Director that the building or other structure has ceased to meet the equivalent of the silver level or higher. The Director shall provide notice and a reasonable opportunity to cure any noncompliance issues before making a determination that the building or other structure has ceased to meet that standard. The Director shall immediately provide notice of each determination of termination to the:

(1) Department of Taxation, who shall immediately notify each affected local government of the determination;

(2) County assessor;

(3) County treasurer; and

(4) Office of Economic Development.

5. The Director shall adopt regulations:

(a) Establishing the qualifications and methods to determine eligibility for the abatement;

(b) Prescribing such forms as will ensure that all information and other documentation necessary to make an appropriate determination is filed with the Director; and

(c) Prescribing the criteria for determining when there is a significant change in the scope of a project for the purposes of subparagraph (1) of paragraph (d) of subsection 1,

➡ and the Department of Taxation shall adopt such additional regulations as it determines to be appropriate to carry out the provisions of this section.

6. *The Director may charge and collect a fee from each applicant who submits an application for a partial abatement pursuant to this section. The amount of the fee must not exceed the actual cost to the Director for processing the application and evaluating the proof submitted by the applicant pursuant to subsection 1 and making the determination concerning eligibility for the partial abatement required by subsection 2.*

7. As used in this section:

(a) "Building or other structure" does not include any building or other structure for which the principal use is as a residential dwelling, even if the building or other structure is used for more than four families.

(b) "Director" means the Director of the Office of Energy appointed pursuant to NRS 701.150.

(c) "Manufacturer" means a person engaged primarily in manufacturing or processing which changes raw or unfinished materials into another form or creates another product.

(d) "Taxes imposed for public education" means:

(1) Any ad valorem tax authorized or required by chapter 387 of NRS;

(2) Any ad valorem tax authorized or required by chapter 350 of NRS for the obligations of a school district, including, without limitation, any ad valorem tax necessary to carry out the provisions of subsection 5 of NRS 350.020; and

(3) Any other ad valorem tax for which the proceeds thereof are dedicated to the public education of pupils in kindergarten through grade 12.

Sec. 2.5. NRS 701A.340 is hereby amended to read as follows:

701A.340 1. "Renewable energy" means:

(a) Biomass;

(b) Fuel cells;

(c) **Geothermal energy;**

~~(d)~~ **Solar energy;**

~~(d)~~ **(e) Waterpower; or**

~~(e)~~ **(f) Wind.**

2. The term does not include coal, natural gas, oil, propane or any other fossil fuel ~~or geothermal energy~~ or nuclear energy.

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 ~~or~~ **or** a wholesale facility for the generation of electricity from renewable energy ~~or for a facility for the generation of electricity from geothermal resources~~ **or for 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. **An applicant may submit a copy of the application to the board of county commissioners at any time after the applicant has submitted the application to the Director.**

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.

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.

Sec. 4. NRS 701A.365 is hereby amended to read as follows:

701A.365 1. Except as otherwise provided in subsection 2, the ~~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, 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 abatement; 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.

(c) 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 ~~130~~ 50 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~~ Except as otherwise provided in subsection 6, the average hourly wage of the employees working on the construction of the facility will be at least ~~1150~~ 175 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) The employees working on the construction of the facility must be provided a health insurance plan that is provided by a third-party administrator and 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.

(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~~ 50 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)]~~ **Except as otherwise provided in subsection 6, the** average hourly wage of the employees working on the construction of the facility will be at least ~~11501~~ **175** 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) The employees working on the construction of the facility must be provided a health insurance plan that **is provided by a third-party administrator and** 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.

(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 process heat from solar renewable energy or a wholesale** facility for the generation of electricity from ~~[(geothermal resources)]~~ **renewable energy** unless the application is approved **or deemed approved** pursuant to this subsection. The board of county commissioners of a county must **provide notice to the Director that the board intends to consider an application and, if such notice is given, 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)]~~ **;**

(a) Shall, in considering an application pursuant to this subsection, make a recommendation to the Director regarding the application;

(b) May, in considering an application pursuant to this subsection, deny an application only if the board of county commissioners determines, based on relevant information, that:

(1) The projected cost of the services that the local government is required to provide to the facility will exceed the amount of tax revenue

that the local government is projected to receive as a result of the abatement; or

(2) The projected financial benefits that will result to the county from the employment by the facility of the residents of this State and from capital investments by the facility in the county will not exceed the projected loss of tax revenue that will result from the abatement;

(c) 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.†; and

(d) May, without regard to whether the board has provided notice to the Director of its intent to consider the application, make a recommendation to the Director regarding the application.

↪ If the board of county commissioners does not approve or deny the application within 30 days after the board receives from the Director a copy of the application, the application shall be deemed [denied.] approved.

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. ~~3.†~~ The Director shall cooperate with the Office of Economic Development in carrying out the provisions of this section.

5. ~~4.†~~ 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.

6. The provisions of subparagraph (4) of paragraph (d) of subsection 1 and subparagraph (4) of paragraph (e) of subsection 1 concerning the average hourly wage of the employees working on the construction of a facility do not apply to the wages of an apprentice as that term is defined in NRS 610.010.

7. As used in this section, “wage” or “wages” has the meaning ascribed to it in NRS 338.010.

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, of:~~

~~— (a) Property taxes imposed pursuant to chapter 361 of NRS, the partial abatement must:~~

~~— (1) Be for a duration of the 20 fiscal years immediately following the date of approval of the application;~~

~~— (2) [Be] If the facility:~~

~~— (I) Has a generating capacity of 10 megawatts or more but less than 49 megawatts, be not more than 55 percent of the taxes on real and personal property payable by the facility each year; or~~

~~— (II) Has a generating capacity of 49 megawatts or more, 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, 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. NRS 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, of f:

~~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~~ **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.

Sec. 7. 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, 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;

(c) Requiring each recipient of a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive, 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) 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.

3. May charge and collect a fee from each applicant who submits an application for a partial abatement pursuant to NRS 701A.300 to 701A.390, inclusive. The amount of the fee must not exceed the actual cost to the Director for processing and approving the application.

Sec. 7.5. NRS 701A.450 is hereby amended to read as follows:

701A.450 1. The Renewable Energy Fund is hereby created.

2. The Director of the Office of Energy appointed pursuant to NRS 701.150 shall administer the Fund.

3. The interest and income earned on the money in the Fund must be credited to the Fund.

4. Not less than 75 percent of the money in the Fund must be used to offset the cost of electricity to or the use of electricity by retail customers of a public utility that is subject to the portfolio standard established by the Public Utilities Commission of Nevada pursuant to NRS 704.7821.

5. The Director of the Office of Energy may establish other uses of the money in the Fund by regulation.

Sec. 8. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 9 to ~~21~~, 21.5, inclusive, of this act.

~~Sec. 9. 1. The Commission shall by regulation establish a process for the issuance of a land use permit to a person who intends to construct a utility project in this State. The regulations must provide that the Commission will issue an order granting or denying an application for a land use permit for a utility project not later than 150 days after the date on which an applicant submits a completed application to the Commission.~~

~~2. A person shall not construct a utility project in this State unless the person has first obtained a land use permit from the Commission in the manner provided by the regulations adopted pursuant to this section.~~

~~3. As used in this section, "utility project" has the meaning ascribed to it in NRS 278.0195.~~ (Deleted by amendment.)

Sec. 10. As used in sections 10 to 21, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 11, 12 and 13 of this act have the meanings ascribed to them in those sections.

Sec. 11. "Electric utility" has the meaning ascribed to it in NRS 704.187.

Sec. 12. "Participant" means an applicant who has received initial approval and a letter of eligibility from the Office of Economic Development pursuant to section 15 of this act and who enters into a contract approved by the Commission pursuant to section 16 of this act.

Sec. 13. "Program" means the Economic Development Electric Rate Rider Program established by section 14 of this act to carry out the provisions of sections 10 to 21, inclusive, of this act.

Sec. 14. 1. The Economic Development Electric Rate Rider Program is hereby established for the purpose of attracting new commercial and industrial businesses to this State. The Commission, in consultation with the Office of Economic Development, shall administer the Program.

2. Each electric utility in this State shall set aside ~~50 megawatts~~ an amount of capacity determined by the Commission for allocation to new customers pursuant to the Program ~~1~~, but the total amount of capacity that the Commission may require to be set aside by all electric utilities in this State pursuant to this subsection must not exceed 50 megawatts.

Sec. 15. 1. A person who, in anticipation of the incentive provided pursuant to the Program, locates or intends to locate a new commercial or industrial business in this State may apply to the Office of Economic Development to participate in the Program.

2. An application to participate in the Program must be submitted on a form approved by the Office of Economic Development and must include:

- (a) The name, business address and telephone number of the applicant;
- (b) The location or proposed location of the applicant's facility and a detailed description of the facility;
- (c) Proof satisfactory to the Office of Economic Development that the applicant satisfies the criteria for eligibility set forth in subsection 3;
- (d) An attestation, on a form approved by the Office of Economic Development, that but for the incentive provided pursuant to the Program, the applicant would not have located or intended to locate the business in this State; and
- (e) Any other information required by the Office of Economic Development.

3. To be eligible for participation in the Program, an applicant must demonstrate that:

- (a) The applicant is or intends to be a new commercial or industrial customer of an electric utility in this State;
- (b) The applicant is not, and has not been during the immediately preceding 12 months, a customer of any other electric utility in this State;
- (c) The new load to be served by the electric utility is more than 300 kilowatts;
- (d) The electric utility has determined that the applicant's use of the load is not for a project, purpose or facility which carries an abnormal risk or is seasonal, intermittent or temporary; and
- (e) The applicant has applied for each economic incentive, including, without limitation, any abatement or partial abatement of taxes, offered by the State or any local government for which the applicant is eligible.

4. Upon the receipt of a completed application, the Office of Economic Development shall consider the application and make a determination of whether the applicant satisfies the criteria for eligibility. If the Office of Economic Development determines that the applicant satisfies the criteria for eligibility, the Office of Economic Development may give initial approval to the applicant.

5. *If the Office of Economic Development gives initial approval to an applicant, the Office of Economic Development shall:*

- (a) Provide notice of the initial approval to the applicant;*
- (b) Issue to the applicant a letter of eligibility; and*
- (c) Forward a copy of the applicant's application and letter of eligibility to the Commission.*

Sec. 16. 1. *Upon receipt of an application and letter of eligibility pursuant to paragraph (c) of subsection 5 of section 15 of this act, the Commission shall:*

- (a) Review the application;*
- (b) Establish the rates which may be charged to the applicant by the electric utility that will serve the load of the applicant; and*
- (c) In addition to the terms required by subsection 3, establish any additional terms which must be included in the contract between the applicant and the electric utility.*

2. *Before any applicant enters into a contract with an electric utility pursuant to the Program, the applicant shall:*

- (a) Provide to the electric utility that will serve the load of the applicant access to the applicant's facility or plans for the facility for the purpose of the electric utility making recommendations concerning the energy efficiency of the facility; and*
- (b) Provide proof satisfactory to the Commission that the new load under the contract will have an annual load factor of 50 percent or more for each year of the term of the contract.*

3. *An applicant may participate in the Program pursuant to a contract which is entered into by the applicant and the electric utility that will serve the load of the applicant and which is approved by the Commission. A contract entered into pursuant to this section must include provisions setting forth:*

- (a) The term of the contract, which must be 5 years;*
- (b) The term of the discounts applicable under the Program, which must be 4 years;*
- (c) The rates to be paid for electricity by the participant;*
- (d) That the discount approved by the Commission does not apply to up-front costs, the base tariff general rate, any otherwise applicable tariff or any taxes, surcharges, amortization or program rate elements;*
- (e) The deposit requirements, which must be based on the rates applicable under the second year of the contract;*
- (f) That the participant ceases to be eligible for any discounted rates for electricity if the participant fails to satisfy any requirements set forth in the contract or sections 10 to 21, inclusive, of this act or any regulations adopted pursuant thereto; and*

(g) Any additional requirements prescribed by the Commission.

4. An electric utility shall prepare a contract to be entered into by the electric utility and a participant and submit the contract to the Commission for approval. Upon approval of the contract by the Commission, the electric utility and the applicant may enter into the contract and the applicant may participate in the Program. The Commission shall forward a copy of the approved contract to the Office of Economic Development.

Sec. 17. Notwithstanding any other provision of this chapter, an electric utility that enters into a contract with a participant pursuant to section 16 of this act ~~(may)~~ shall, in the manner provided pursuant to the regulations adopted by the Commission pursuant to paragraph (c) of subsection 1 of section 20 of this act, recover through a deferred energy accounting adjustment application an amount equal to the discount provided to the participant pursuant to the contract.

Sec. 18. If the Commission determines that a participant in the Program has failed to fulfill any requirement of the contract or carry out any duty imposed pursuant to the Program, the Commission shall issue an order requiring the participant to pay to the electric utility an amount equal to the rate which would have been charged but for the participant's participation in the Program.

Sec. 19. The Office of Economic Development shall not accept an application or give initial approval to any applicant for participation in the Program, and the Commission shall not approve an applicant for participation in the Program, after the earlier of December 31, 2017, or the date on which the capacity set aside for allocation pursuant to the Program is fully allocated.

Sec. 20. The Commission, in consultation with the Office of Economic Development:

1. Shall adopt regulations:

(a) Establishing the discounted electric rates that may be charged by an electric utility pursuant to the Program, which must be established as a percentage of the base tariff energy rate and for which:

(1) In the first year of a contract entered into pursuant to section 16 of this act, the reduction in the rates as a result of the discount must not exceed 30 percent of the base tariff energy rate;

(2) In the second year of a contract entered into pursuant to section 16 of this act, the reduction in the rates as a result of the discount must not exceed 20 percent of the base tariff energy rate;

(3) In the third year of a contract entered into pursuant to section 16 of this act, the reduction in the rates as a result of the discount must not exceed 20 percent of the base tariff energy rate; and

(4) *In the fourth year of a contract entered into pursuant to section 16 of this act, the reduction in the rates as a result of the discount must not exceed 10 percent of the base tariff energy rate;*

(b) *Prescribing the form and content of the contract entered into pursuant to section 16 of this act;*

(c) *Prescribing the procedure by which an electric utility ~~may~~ is authorized to recover through a deferred energy accounting adjustment application the amount of the discount provided to a participant in the Program; and*

(d) *Prescribing any additional information which must be submitted by an applicant for participation in the Program.*

2. *May adopt any other regulations it determines are necessary to carry out the provisions of sections 10 to 21, inclusive, of this act.*

Sec. 21. *The Commission shall, on or before December 31, 2014, prepare a written report concerning the Program and submit the report to the Director of the Legislative Counsel Bureau for transmittal to the 78th Session of the Legislature. The report must include, without limitation, information concerning:*

1. *The number of participants in the Program;*
2. *The amount of electricity allocated pursuant to the Program;*
3. *The total amount of the discounts provided pursuant to the Program; and*
4. *The remaining amount of electricity available for allocation pursuant to the Program.*

Sec. 21.5. *If the Commission approves an application submitted by a public utility pursuant to NRS 704.820 to 704.900, inclusive, for a utility facility which is not intended to serve customers in this State and the cost of which will not be included in the rates of that public utility, the public utility is not required to include the utility facility in any plan filed pursuant to NRS 704.741.*

Sec. 22. NRS 704.848 is hereby amended to read as follows:

704.848 1. "Other permitting entity" means any state or local entity:

(a) That is responsible for the enforcement of environmental laws and whose approval is required for the construction of a utility facility, including, without limitation, the State Environmental Commission, the State Department of Conservation and Natural Resources and a local air pollution control board; or

(b) Whose approval is required for granting any variance, special use permit, conditional use permit or other special exception under NRS 278.010 to 278.319, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act,~~ or 278.640 to 278.675, inclusive, or any regulation or ordinance

adopted pursuant thereto, that is required for the construction of a utility facility.

2. The term does not include the Commission or the State Engineer.

Sec. 23. NRS 704.870 is hereby amended to read as follows:

704.870 1. Except as otherwise provided in subsection 2, a person who wishes to obtain a permit for a utility facility must file with the Commission an application, in such form as the Commission prescribes, containing:

(a) A description of the location and of the utility facility to be built thereon;

(b) A summary of any studies which have been made of the environmental impact of the facility; and

(c) A description of any reasonable alternate location or locations for the proposed facility, a description of the comparative merits or detriments of each location submitted, and a statement of the reasons why the primary proposed location is best suited for the facility.

↪ A copy or copies of the studies referred to in paragraph (b) must be filed with the Commission and be available for public inspection.

2. If a person wishes to obtain a permit for a utility facility and a federal agency is required to conduct an environmental analysis of the proposed utility facility, the person must:

(a) Not later than the date on which the person files with the appropriate federal agency an application for approval for the construction of the utility facility, file with the Commission and each other permitting entity ~~an application,~~ **a notice**, in such a form as the Commission or other permitting entity prescribes ; ~~containing:~~

~~— (1) A general description of the proposed utility facility; and~~

~~— (2) A summary of any studies which the applicant anticipates will be made of the environmental impact of the facility;~~ and

(b) Not later than 30 days after the issuance by the appropriate federal agency of ~~the~~ **either the** final environmental assessment or **final** environmental impact statement , **but not the record of decision or similar document**, relating to the construction of the utility facility:

(1) File with the Commission an ~~amended~~ application that complies with the provisions of subsection 1; and

(2) File with each other permitting entity an ~~amended~~ application for a permit, license or other approval for the construction of the utility facility.

3. A copy of each application ~~and amended application~~ filed with the Commission must be filed with the Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

4. Each application ~~and amended application~~ filed with the Commission must be accompanied by:

(a) Proof of service of a copy of the application ~~{for amended application}~~ on the clerk of each local government in the area in which any portion of the facility is to be located, both as primarily and as alternatively proposed; and

(b) Proof that public notice thereof was given to persons residing in the municipalities entitled to receive notice pursuant to paragraph (a) by the publication of a summary of the application ~~{for amended application}~~ in newspapers published and distributed in the area in which the utility facility is proposed to be located.

5. Not later than 5 business days after the Commission receives an application ~~{for amended application}~~ pursuant to this section, the Commission shall issue a notice concerning the ~~{application or amended}~~ application. Any person who wishes to become a party to a permit proceeding pursuant to NRS 704.885 must file with the Commission the appropriate document required by NRS 704.885 within the time frame set forth in the notice issued by the Commission pursuant to this subsection.

Sec. 24. NRS 704.8905 is hereby amended to read as follows:

704.8905 1. Except as otherwise required to comply with federal law:

(a) Not later than 150 days after a person has filed an application regarding a utility facility pursuant to subsection 1 of NRS 704.870:

(1) The Commission shall grant or deny approval of that application; and

(2) Each other permitting entity shall, if an application for a permit, license or other approval for the construction of the utility facility was filed with the other permitting entity on or before the date on which the applicant filed the application pursuant to subsection 1 of NRS 704.870, grant or deny the application filed with the other permitting entity.

(b) Not later than 120 days after a person has filed an ~~{amended}~~ application regarding a utility facility pursuant to subsection 2 of NRS 704.870:

(1) The Commission shall grant or deny approval of the ~~{amended}~~ application; and

(2) Each other permitting entity shall, if an application for a permit, license or other approval for the construction of the utility facility was filed with the other permitting entity on or before the date on which the applicant filed with the appropriate federal agency an application for approval for the construction of the utility facility, grant or deny the ~~{amended}~~ application filed with the other permitting entity.

2. The Commission or other permitting entity shall make its determination upon the record and may grant or deny the application as filed, or grant the application upon such terms, conditions or modifications of the construction, operation or maintenance of the utility facility as the Commission or other permitting entity deems appropriate.

3. The Commission shall serve a copy of its order and any opinion issued with it upon each party to the proceeding before the Commission.

Sec. 25. NRS 119.128 is hereby amended to read as follows:

119.128 An exemption pursuant to this chapter is not an exemption from the provisions of NRS 278.010 to 278.630, inclusive ~~[] , and [section 27]~~ sections 27.1 to 27.9, inclusive, of this act.

Sec. 26. NRS 119.340 is hereby amended to read as follows:

119.340 The provisions of this chapter are in addition to and not a substitute for NRS 278.010 to 278.630, inclusive ~~[] , and [section 27]~~ sections 27.1 to 27.9, inclusive, of this act.

Sec. 27. Chapter 278 of NRS is hereby amended by adding thereto ~~a~~ new section to read as follows:

~~Notwithstanding any other provision of law, the Public Utilities Commission of Nevada has exclusive authority pursuant to section 9 of this act to issue a land use permit for the construction of a utility project in this State.]~~ the provisions set forth as sections 27.1 to 27.9, inclusive, of this act.

Sec. 27.1. As used in sections 27.1 to 27.9, inclusive, of this act, unless the context otherwise requires, "aboveground utility" means an aboveground electric transmission line which is designed to operate at 200 kilovolts or more and which has been approved for construction after October 1, 1991, by the State or Federal Government or a governing body.

Sec. 27.5. 1. A planning commission or governing body that is required to prepare and adopt a master plan pursuant to the provisions of this chapter shall develop and include in that plan an aboveground utility plan as described in subsection 2. The aboveground utility plan must:

(a) In a county whose population is 700,000 or more, conform with the comprehensive regional policy plan developed pursuant to NRS 278.02528; and

(b) In a county whose population is 100,000 or more but less than 700,000, conform with the comprehensive regional plan developed pursuant to NRS 278.0272.

2. An aboveground utility plan developed by a planning commission or governing body pursuant to this section must:

(a) Provide a process for the designation of corridors for the construction of aboveground utility projects;

(b) Be consistent with any transmission plan prepared by the Office of Energy;

(c) To ensure the continuity of transmission corridors, be consistent with the aboveground utility plan of each adjacent jurisdiction; and

(d) Be consistent with any resource management plan prepared by the Bureau of Land Management applicable to the jurisdiction of the planning

commission or governing body, including, without limitation, by ensuring that the aboveground utility plan developed by the planning commission or governing body provides for connectivity between any noncontiguous transmission corridors identified in the plan prepared by the Bureau of Land Management.

3. In developing an aboveground utility plan, a planning commission or governing body shall:

(a) Cooperate with the Bureau of Land Management, the Office of Energy and the planning commission or governing body of each adjacent jurisdiction to ensure that the aboveground utility plan adopted by the planning commission or governing body is consistent with any resource management plan prepared by the Bureau of Land Management, any transmission plan adopted by the Office of Energy and the aboveground utility plan developed by the planning commission or governing body of each adjacent jurisdiction; and

(b) Submit a copy of the aboveground utility plan, including all maps and exhibits adopted as part of the plan, to the Public Utilities Commission of Nevada and the Office of Energy.

Sec. 27.7. Each governing body:

1. Shall establish a process for the issuance of a permit for the construction of an aboveground utility project which is located in a corridor for the construction of aboveground utility projects identified in the master plan adopted by the planning commission or governing body.

2. Shall establish a process for the issuance of a special use permit for the construction of an aboveground utility project which is not located in a corridor for the construction of aboveground utility projects identified in the master plan adopted by the planning commission or governing body. The process adopted by the governing body must include, without limitation, provisions:

(a) Requiring the planning commission or the governing body to review each completed application at a public hearing;

(b) Requiring the applicant to provide proof satisfactory to the planning commission or the governing body that the construction of the aboveground utility project does not conflict with any existing or planned infrastructure or other utility projects; and

(c) Authorizing the planning commission or the governing body to issue or deny the issuance of a special use permit for the construction of an aboveground utility project based on the proximity of the proposed site of the aboveground utility project to any school, hospital or urban residential area with a dwelling density greater than 2 units per gross acre.

3. Shall establish a process for the issuance of a special use permit for the construction of a renewable energy generation project with a

nameplate capacity of 10 megawatts or more which must include, without limitation, provisions:

- (a) Establishing the required contents of an application;
 - (b) Establishing the criteria by which the planning commission or the governing body will evaluate an application; and
 - (c) Requiring the planning commission or the governing body to review each completed application at a public hearing not later than 65 days after receiving the complete application.
4. May establish an expedited process for the issuance of a permit or special use permit described in subsections 1, 2 and 3 if the governing body determines that:
- (a) The project will be located in an isolated or rural area; and
 - (b) There is minimal risk of disturbance to residents as a result of the construction of the project.

Sec. 27.9. 1. An applicant for the issuance of a special use permit for the construction of any utility project or for the construction of a renewable energy generation project with a nameplate capacity of 10 megawatts or more who:

- (a) Believes that the decision of the planning commission or governing body to approve or deny the applicant's application was not timely; or
 - (b) Disagrees with any conditions imposed by the special use permit issued by the planning commission or governing body.
- ↪ may, in the manner prescribed by the Public Utilities Commission of Nevada by regulation, petition the Public Utilities Commission of Nevada to review the decision of the planning commission or governing body.

2. A petition submitted to the Public Utilities Commission of Nevada pursuant to this section must include:

- (a) The name, mailing address and telephone number of the petitioner;
- (b) The name of the planning commission or governing body to whom the petitioner applied for a special use permit;
- (c) A statement of the decision of the planning commission or governing body from which review is sought;
- (d) A statement of the resolution sought by the petitioner;
- (e) A statement of the legal basis for the resolution sought by the petitioner;
- (f) A copy of the application and all supporting documents submitted by the petitioner to the planning commission or governing body;
- (g) A copy of each document issued by the planning commission or governing body relating to the application; and
- (h) Any other information required by the Public Utilities Commission of Nevada.

3. In any proceeding before the Public Utilities Commission of Nevada concerning a petition submitted pursuant to this section, the parties:

(a) Must include:

(1) The petitioner;

(2) The planning commission or governing body whose decision is the subject of the petition; and

(3) The Regulatory Operations Staff of the Public Utilities Commission of Nevada; and

(b) May include:

(1) The Bureau of Consumer Protection in the Office of the Attorney General, upon the filing by the Bureau of Consumer Protection of a notice to intervene; and

(2) Any other person or entity that participated in any proceeding before the planning commission or governing body relating to the application for the issuance of a special use permit, if the person or entity petitions the Public Utilities Commission of Nevada for, and is granted, leave to intervene.

4. Not later than 150 days after receiving a petition to review the decision of a planning commission or governing body, the Public Utilities Commission of Nevada shall issue an order:

(a) Approving the decision of the planning commission or governing body;

(b) Directing the planning commission or governing body to issue a special use permit with such terms and conditions as the Public Utilities Commission of Nevada determines are reasonable; or

(c) Directing the planning commission or governing body to modify the terms and conditions of a special use permit in the manner prescribed by the Public Utilities Commission of Nevada.

5. An order issued by the Public Utilities Commission of Nevada pursuant to this section is final for the purposes of judicial review.

6. The Public Utilities Commission of Nevada shall adopt such regulations as it determines necessary to carry out the provisions of this section.

Sec. 28. NRS 278.010 is hereby amended to read as follows:

278.010 As used in NRS 278.010 to 278.630, inclusive, ~~and [section 27]~~ sections 27.1 to 27.9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 278.0105 to 278.0195, inclusive, have the meanings ascribed to them in those sections.

Sec. 29. NRS 278.016 is hereby amended to read as follows:

278.016 “Local ordinance” means an ordinance enacted by the governing body of any city or county, pursuant to the powers granted in NRS 278.010

to 278.630, inclusive ~~[, and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act.~~

Sec. 30. NRS 278.02327 is hereby amended to read as follows:

278.02327 1. Any application submitted to a governing body or its designee that concerns any matter relating to land use planning pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act,** or any ordinance, resolution or regulation adopted pursuant thereto, may not be accepted by the governing body or its designee if the application is incomplete.

2. The governing body or its designee shall, within 3 working days after receiving an application of the type described in subsection 1:

(a) Review the application for completeness;

(b) Accept the application if the governing body or its designee finds that the application is complete or return the application if the governing body or its designee finds that the application is incomplete; and

(c) If the governing body or its designee returns the application:

(1) Provide to the applicant a description of the additional information required; and

(2) If requested by the applicant, provide to the applicant a copy of the relevant provision of the ordinance, resolution or regulation which specifically requires the additional information or an explanation of why the additional information is necessary.

Sec. 31. NRS 278.0233 is hereby amended to read as follows:

278.0233 1. Any person who has any right, title or interest in real property, and who has filed with the appropriate state or local agency an application for a permit which is required by statute or an ordinance, resolution or regulation adopted pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** before that person may improve, convey or otherwise put that property to use, may bring an action against the agency to recover actual damages caused by:

(a) Any final action, decision or order of the agency which imposes requirements, limitations or conditions upon the use of the property in excess of those authorized by ordinances, resolutions or regulations adopted pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** in effect on the date the application was filed, and which:

(1) Is arbitrary or capricious; or

(2) Is unlawful or exceeds lawful authority.

(b) Any final action, decision or order of the agency imposing a tax, fee or other monetary charge that is not expressly authorized by statute or that is in excess of the amount expressly authorized by statute.

(c) The failure of the agency to act on that application within the time for that action as limited by statute, ordinance or regulation.

2. An action must not be brought under subsection 1:

(a) Where the agency did not know, or reasonably could not have known, that its action, decision or order was unlawful or in excess of its authority.

(b) Based on the invalidation of an ordinance, resolution or regulation in effect on the date the application for the permit was filed.

(c) Where a lawful action, decision or order of the agency is taken or made to prevent a condition which would constitute a threat to the health, safety, morals or general welfare of the community.

(d) Where the applicant agrees in writing to extensions of time concerning his or her application.

(e) Where the applicant agrees in writing or orally on the record during a hearing to the requirements, limitations or conditions imposed by the action, decision or order, unless the applicant expressly states in writing or orally on the record during the hearing that a requirement, limitation or condition is agreed to under protest and specifies which paragraph of subsection 1 provides cause for the protest.

(f) For unintentional procedural or ministerial errors of the agency.

(g) Unless all administrative remedies have been exhausted.

(h) Against any individual member of the agency.

Sec. 32. NRS 278.0235 is hereby amended to read as follows:

278.0235 No action or proceeding may be commenced for the purpose of seeking judicial relief or review from or with respect to any final action, decision or order of any governing body, commission or board authorized by NRS 278.010 to 278.630, inclusive, ~~and section 27~~ sections 27.1 to 27.9, inclusive, of this act unless the action or proceeding is commenced within 25 days after the date of filing of notice of the final action, decision or order with the clerk or secretary of the governing body, commission or board.

Sec. 33. NRS 278.024 is hereby amended to read as follows:

278.024 1. In the region of this State for which there has been created by NRS 278.780 to 278.828, inclusive, a regional planning agency, the powers conferred by NRS 278.010 to 278.630, inclusive, ~~and section 27~~ sections 27.1 to 27.9, inclusive, of this act upon any other authority are subordinate to the powers of such regional planning agency, and may be exercised only to the extent that their exercise does not conflict with any ordinance or plan adopted by such regional planning agency. The powers conferred by NRS 278.010 to 278.630, inclusive, ~~and section 27~~ sections 27.1 to 27.9, inclusive, of this act shall be exercised whenever appropriate in furtherance of a plan adopted by the regional planning agency.

2. Upon the adoption by a regional planning agency created by NRS 278.780 to 278.828, inclusive, of any regional plan, any plan adopted

pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** shall cease to be effective as to the territory embraced in such regional plan. Each planning commission and governing body whose previously adopted plan is so affected shall, within 90 days after the effective date of the regional plan, initiate any necessary procedure to revise its plan and any related zoning ordinances which affect adjacent territory.

Sec. 34. NRS 278.025 is hereby amended to read as follows:

278.025 1. In any region of this State for which there has been created by interstate compact a regional planning agency, the powers conferred by NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** are subordinate to the powers of such regional planning agency, and may be exercised only to the extent that their exercise does not conflict with any ordinance or plan adopted by such regional planning agency. The powers conferred by NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** shall be exercised whenever appropriate in furtherance of a plan adopted by the regional planning agency.

2. Upon the adoption by a regional planning agency created by interstate compact of any regional plan or interim plan, any plan adopted pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** shall cease to be effective as to the territory embraced in such regional or interim plan. Each planning commission and governing body whose previously adopted plan is so affected shall, within 90 days after the effective date of the regional or interim plan, initiate any necessary procedure to revise its plan and any related zoning ordinances which affect adjacent territory.

Sec. 35. NRS 278.02788 is hereby amended to read as follows:

278.02788 1. If a city has a sphere of influence that is designated in the comprehensive regional plan, the city shall adopt a master plan concerning the territory within the sphere of influence. The master plan and any ordinance required by the master plan must be consistent with the comprehensive regional plan. After adoption and certification of a master plan concerning the territory within the sphere of influence and after adopting the ordinances required by the master plan, if any, the city may exercise any power conferred pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** within its sphere of influence.

2. If the comprehensive regional plan designates that all or part of the sphere of influence of a city is a joint planning area, the master plan and any ordinance adopted by the city pursuant to subsection 1 must be consistent with the master plan that is adopted for the joint planning area.

3. Before certification of the master plan for the sphere of influence pursuant to NRS 278.028, any action taken by the county pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27.1~~ sections 27.1 to 27.9, inclusive, of this act** within the sphere of influence of a city must be consistent with the comprehensive regional plan.

4. A person, county or city that is represented on the governing board and is aggrieved by a final determination of the county or, after the certification of the master plan for a sphere of influence, is aggrieved by a final determination of the city, concerning zoning, a subdivision map, a parcel map or the use of land within the sphere of influence may appeal the decision to the regional planning commission within 30 days after the determination. A person, county or city that is aggrieved by the determination of the regional planning commission may appeal the decision to the governing board within 30 days after the determination. A person, county or city that is aggrieved by the determination of the governing board may seek judicial review of the decision within 25 days after the determination.

Sec. 36. NRS 278.130 is hereby amended to read as follows:

278.130 1. If the governing body of a city or county collaborates in the creation of a regional planning commission and does not create a separate city or county planning commission, the regional planning commission shall perform for the city or county all the duties and functions delegated to a city or county planning commission by the terms of NRS 278.010 to 278.630, inclusive ~~1~~, **and ~~section 27.1~~ sections 27.1 to 27.9, inclusive, of this act.**

2. If a regional planning commission has duties and functions pursuant to NRS 278.010 to 278.630, inclusive, **and ~~section 27.1~~ sections 27.1 to 27.9, inclusive, of this act** which parallel the duties and functions of a city or county planning commission, the city or county planning commission has the responsibility for making decisions pertaining to planning which have a local effect, and the regional planning commission has the responsibility for making decisions pertaining to planning which have a regional or intergovernmental effect.

Sec. 37. NRS 278.140 is hereby amended to read as follows:

278.140 1. The formation of regional planning districts is authorized and a regional planning commission may be created, in accordance with the provisions of NRS 278.010 to 278.630, inclusive, **and ~~section 27.1~~ sections 27.1 to 27.9, inclusive, of this act**, in lieu of separate city or county planning commissions as may be required or authorized by NRS 278.010 to 278.630, inclusive ~~1~~, **and ~~section 27.1~~ sections 27.1 to 27.9, inclusive, of this act.**

2. Regional planning districts shall consist of a portion of a political subdivision, two or more contiguous political subdivisions or contiguous portions of two or more political subdivisions.

3. All territory embraced within a regional planning district shall be contiguous, except where the regional district is composed of two or more municipalities such territories need not be contiguous.

4. In a regional planning district, a regional planning commission shall function in all respects in accordance with the provisions of NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act~~, except that the plans of the regional planning commission shall coordinate the plans of any city or county planning commission within the region.

5. Reports required by NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act~~ to be made to a governing body of a city or a county shall be made to the governing body of each city or county within the region, and the procedure set forth in NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act~~ for action with respect to maps or subdivisions shall not be followed by the regional planning commission for subdivisions which lie within any territory in which there exists a functioning county or city planning commission.

Sec. 38. ~~[NRS 278.145 is hereby amended to read as follows:
278.145 1. Each public utility which owns an interest in or is engaged in the construction or operation of a utility project, or on whose behalf the utility project is constructed, which is located in a region or county whose population is 100,000 or more shall, within 60 days after the utility project has been approved for construction [,] by the Public Utilities Commission of Nevada pursuant to the regulations adopted pursuant to section 9 of this act, report the location of the utility project to the planning commission of each city, county or region in which it is located.
2. The planning commission of each city, county or region shall maintain a record of each report it receives from a public utility pursuant to subsection 1.] (Deleted by amendment.)~~

Sec. 39. NRS 278.150 is hereby amended to read as follows:

278.150 1. The planning commission shall prepare and adopt a comprehensive, long-term general plan for the physical development of the city, county or region which in the commission's judgment bears relation to the planning thereof.

2. The plan must be known as the master plan, and must be so prepared that all or portions thereof, except as otherwise provided in subsections 3 and 4, may be adopted by the governing body, as provided in NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act~~ as a basis for the development of the city, county or region for such reasonable period of time next ensuing after the adoption thereof as may practically be covered thereby.

3. In counties whose population is 100,000 or more but less than 700,000, if the governing body of the city or county adopts only a portion of the master plan, it shall include in that portion a conservation plan, a housing plan and a population plan as provided in NRS 278.160.

4. In counties whose population is 700,000 or more, the governing body of the city or county shall adopt a master plan for all of the city or county that must address each of the subjects set forth in subsection 1 of NRS 278.160.

Sec. 40. NRS 278.160 is hereby amended to read as follows:

278.160 1. Except as otherwise provided in subsection 4 of NRS 278.150 and subsection 3 of NRS 278.170, the master plan, with the accompanying charts, drawings, diagrams, schedules and reports, may include such of the following subject matter or portions thereof as are appropriate to the city, county or region, and as may be made the basis for the physical development thereof:

(a) Community design. Standards and principles governing the subdivision of land and suggestive patterns for community design and development.

(b) Conservation plan. For the conservation, development and utilization of natural resources, including, without limitation, water and its hydraulic force, underground water, water supply, solar or wind energy, forests, soils, rivers and other waters, harbors, fisheries, wildlife, minerals and other natural resources. The plan must also cover the reclamation of land and waters, flood control, prevention and control of the pollution of streams and other waters, regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan, prevention, control and correction of the erosion of soils through proper clearing, grading and landscaping, beaches and shores, and protection of watersheds. The plan must also indicate the maximum tolerable level of air pollution.

(c) Economic plan. Showing recommended schedules for the allocation and expenditure of public money in order to provide for the economical and timely execution of the various components of the plan.

(d) Historic neighborhood preservation plan. The plan:

(1) Must include, without limitation:

(I) A plan to inventory historic neighborhoods.

(II) A statement of goals and methods to encourage the preservation of historic neighborhoods.

(2) May include, without limitation, the creation of a commission to monitor and promote the preservation of historic neighborhoods.

(e) Historical properties preservation plan. An inventory of significant historical, archaeological, paleontological and architectural properties as defined by a city, county or region, and a statement of methods to encourage the preservation of those properties.

(f) Housing plan. The housing plan must include, without limitation:

(1) An inventory of housing conditions, needs and plans and procedures for improving housing standards and for providing adequate housing to individuals and families in the community, regardless of income level.

(2) An inventory of existing affordable housing in the community, including, without limitation, housing that is available to rent or own, housing that is subsidized either directly or indirectly by this State, an agency or political subdivision of this State, or the Federal Government or an agency of the Federal Government, and housing that is accessible to persons with disabilities.

(3) An analysis of projected growth and the demographic characteristics of the community.

(4) A determination of the present and prospective need for affordable housing in the community.

(5) An analysis of any impediments to the development of affordable housing and the development of policies to mitigate those impediments.

(6) An analysis of the characteristics of the land that is suitable for residential development. The analysis must include, without limitation:

(I) A determination of whether the existing infrastructure is sufficient to sustain the current needs and projected growth of the community; and

(II) An inventory of available parcels that are suitable for residential development and any zoning, environmental and other land-use planning restrictions that affect such parcels.

(7) An analysis of the needs and appropriate methods for the construction of affordable housing or the conversion or rehabilitation of existing housing to affordable housing.

(8) A plan for maintaining and developing affordable housing to meet the housing needs of the community for a period of at least 5 years.

(g) Land use plan. An inventory and classification of types of natural land and of existing land cover and uses, and comprehensive plans for the most desirable utilization of land. The land use plan:

(1) Must address, if applicable:

(I) Mixed-use development, transit-oriented development, master-planned communities and gaming enterprise districts; and

(II) The coordination and compatibility of land uses with any military installation in the city, county or region, taking into account the location, purpose and stated mission of the military installation.

(2) May include a provision concerning the acquisition and use of land that is under federal management within the city, county or region, including, without limitation, a plan or statement of policy prepared pursuant to NRS 321.7355.

(h) Population plan. An estimate of the total population which the natural resources of the city, county or region will support on a continuing basis without unreasonable impairment.

(i) Public buildings. Showing locations and arrangement of civic centers and all other public buildings, including the architecture thereof and the landscape treatment of the grounds thereof.

(j) Public services and facilities. Showing general plans for sewage, drainage and utilities, and rights-of-way, easements and facilities therefor, including, without limitation, any utility projects required to be reported pursuant to NRS 278.145.

(k) Recreation plan. Showing a comprehensive system of recreation areas, including, without limitation, natural reservations, parks, parkways, trails, reserved riverbank strips, beaches, playgrounds and other recreation areas, including, when practicable, the locations and proposed development thereof.

(l) Rural neighborhoods preservation plan. In any county whose population is 700,000 or more, showing general plans to preserve the character and density of rural neighborhoods.

(m) Safety plan. In any county whose population is 700,000 or more, identifying potential types of natural and man-made hazards, including, without limitation, hazards from floods, landslides or fires, or resulting from the manufacture, storage, transfer or use of bulk quantities of hazardous materials. The plan may set forth policies for avoiding or minimizing the risks from those hazards.

(n) School facilities plan. Showing the general locations of current and future school facilities based upon information furnished by the appropriate local school district.

(o) Seismic safety plan. Consisting of an identification and appraisal of seismic hazards such as susceptibility to surface ruptures from faulting, to ground shaking or to ground failures.

(p) Solid waste disposal plan. Showing general plans for the disposal of solid waste.

(q) Streets and highways plan. Showing the general locations and widths of a comprehensive system of major traffic thoroughfares and other traffic ways and of streets and the recommended treatment thereof, building line setbacks, and a system of naming or numbering streets and numbering houses, with recommendations concerning proposed changes.

(r) Transit plan. Showing a proposed multimodal system of transit lines, including mass transit, streetcar, motorcoach and trolley coach lines, paths for bicycles and pedestrians, satellite parking and related facilities.

(s) Transportation plan. Showing a comprehensive transportation system, including, without limitation, locations of rights-of-way, terminals, viaducts

and grade separations. The plan may also include port, harbor, aviation and related facilities.

(t) Aboveground utility plan. Showing corridors designated for the construction of aboveground utilities.

2. The commission may prepare and adopt, as part of the master plan, other and additional plans and reports dealing with such other subjects as may in its judgment relate to the physical development of the city, county or region, and nothing contained in NRS 278.010 to 278.630, inclusive, ~~and section 27~~ **sections 27.1 to 27.9, inclusive, of this act** prohibits the preparation and adoption of any such subject as a part of the master plan.

Sec. 41. NRS 278.190 is hereby amended to read as follows:

278.190 1. The commission shall endeavor to promote public interest in and understanding of the master plan and of official plans and regulations relating thereto. As a means of furthering the purpose of a master plan, the commission shall annually make recommendations to the governing body for the implementation of the plan.

2. It also shall consult and advise with public officials and agencies, public utility companies, civic, educational, professional and other organizations, and with citizens generally with relation to the carrying out of such plans.

3. The commission, and its members, officers and employees, in the performance of their functions, may enter upon any land and make examinations and surveys and place and maintain necessary monuments and marks thereon.

4. In general, the commission shall have such power as may be necessary to enable it to fulfill its functions and carry out the provisions of NRS 278.010 to 278.630, inclusive ~~[]~~, ~~and section 27~~ **sections 27.1 to 27.9, inclusive, of this act.**

Sec. 42. NRS 278.200 is hereby amended to read as follows:

278.200 The master plan shall be a map, together with such charts, drawings, diagrams, schedules, reports, ordinances, or other printed or published material, or any one or a combination of any of the foregoing as may be considered essential to the purposes of NRS 278.010 to 278.630, inclusive ~~[]~~, ~~and section 27~~ **sections 27.1 to 27.9, inclusive, of this act.**

Sec. 43. NRS 278.250 is hereby amended to read as follows:

278.250 1. For the purposes of NRS 278.010 to 278.630, inclusive, ~~and section 27~~ **sections 27.1 to 27.9, inclusive, of this act**, the governing body may divide the city, county or region into zoning districts of such number, shape and area as are best suited to carry out the purposes of NRS 278.010 to 278.630, inclusive ~~[]~~, ~~and section 27~~ **sections 27.1 to 27.9, inclusive, of this act.** Within the zoning district, it may regulate and restrict the erection,

construction, reconstruction, alteration, repair or use of buildings, structures or land.

2. The zoning regulations must be adopted in accordance with the master plan for land use and be designed:

- (a) To preserve the quality of air and water resources.
- (b) To promote the conservation of open space and the protection of other natural and scenic resources from unreasonable impairment.
- (c) To consider existing views and access to solar resources by studying the height of new buildings which will cast shadows on surrounding residential and commercial developments.
- (d) To reduce the consumption of energy by encouraging the use of products and materials which maximize energy efficiency in the construction of buildings.
- (e) To provide for recreational needs.
- (f) To protect life and property in areas subject to floods, landslides and other natural disasters.
- (g) To conform to the adopted population plan, if required by NRS 278.170.
- (h) To develop a timely, orderly and efficient arrangement of transportation and public facilities and services, including public access and sidewalks for pedestrians, and facilities and services for bicycles.
- (i) To ensure that the development on land is commensurate with the character and the physical limitations of the land.
- (j) To take into account the immediate and long-range financial impact of the application of particular land to particular kinds of development, and the relative suitability of the land for development.
- (k) To promote health and the general welfare.
- (l) To ensure the development of an adequate supply of housing for the community, including the development of affordable housing.
- (m) To ensure the protection of existing neighborhoods and communities, including the protection of rural preservation neighborhoods and, in counties whose population is 700,000 or more, the protection of historic neighborhoods.
- (n) To promote systems which use solar or wind energy.
- (o) To foster the coordination and compatibility of land uses with any military installation in the city, county or region, taking into account the location, purpose and stated mission of the military installation.

3. The zoning regulations must be adopted with reasonable consideration, among other things, to the character of the area and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the city, county or region.

4. In exercising the powers granted in this section, the governing body may use any controls relating to land use or principles of zoning that the governing body determines to be appropriate, including, without limitation, density bonuses, inclusionary zoning and minimum density zoning.

5. As used in this section:

(a) "Density bonus" means an incentive granted by a governing body to a developer of real property that authorizes the developer to build at a greater density than would otherwise be allowed under the master plan, in exchange for an agreement by the developer to perform certain functions that the governing body determines to be socially desirable, including, without limitation, developing an area to include a certain proportion of affordable housing.

(b) "Inclusionary zoning" means a type of zoning pursuant to which a governing body requires or provides incentives to a developer who builds residential dwellings to build a certain percentage of those dwellings as affordable housing.

(c) "Minimum density zoning" means a type of zoning pursuant to which development must be carried out at or above a certain density to maintain conformance with the master plan.

Sec. 44. NRS 278.300 is hereby amended to read as follows:

278.300 1. The board of adjustment shall have the following powers:

(a) To hear and decide appeals where it is alleged by the appellant that there is an error in any order, requirement, decision or refusal made by an administrative official or agency based on or made in the enforcement of any zoning regulation or any regulation relating to the location or soundness of structures.

(b) To hear and decide, in accordance with the provisions of any such regulation, requests for variances, or for interpretation of any map, or for decisions upon other special questions upon which the board is authorized by any such regulation to pass.

(c) Where by reason of exceptional narrowness, shallowness, or shape of a specific piece of property at the time of the enactment of the regulation, or by reason of exceptional topographic conditions or other extraordinary and exceptional situation or condition of the piece of property, the strict application of any regulation enacted under NRS 278.010 to 278.630, inclusive, ~~and section 27~~ **sections 27.1 to 27.9, inclusive, of this act** would result in peculiar and exceptional practical difficulties to, or exceptional and undue hardships upon, the owner of the property, to authorize a variance from that strict application so as to relieve the difficulties or hardship, if the relief may be granted without substantial detriment to the public good, without substantial impairment of affected natural resources and without substantially impairing the intent and purpose of any ordinance or resolution.

(d) To hear and decide requests for special use permits or other special exceptions, in such cases and under such conditions as the regulations may prescribe.

2. The majority vote of the board of adjustment is necessary to reverse any order, requirement, decision or determination of any administrative official or agency, or to decide in favor of the appellant.

Sec. 45. NRS 278.320 is hereby amended to read as follows:

278.320 1. “Subdivision” means any land, vacant or improved, which is divided or proposed to be divided into five or more lots, parcels, sites, units or plots, for the purpose of any transfer or development, or any proposed transfer or development, unless exempted by one of the following provisions:

(a) The term “subdivision” does not apply to any division of land which is subject to the provisions of NRS 278.471 to 278.4725, inclusive.

(b) Any joint tenancy or tenancy in common shall be deemed a single interest in land.

(c) Unless a method of disposition is adopted for the purpose of evading this chapter or would have the effect of evading this chapter, the term “subdivision” does not apply to:

(1) Any division of land which is ordered by any court in this State or created by operation of law;

(2) A lien, mortgage, deed of trust or any other security instrument;

(3) A security or unit of interest in any investment trust regulated under the laws of this State or any other interest in an investment entity;

(4) Cemetery lots; or

(5) An interest in oil, gas, minerals or building materials, which are now or hereafter severed from the surface ownership of real property.

2. A common-interest community consisting of five or more units shall be deemed to be a subdivision of land within the meaning of this section, but need only comply with NRS 278.326 to 278.460, inclusive, and 278.473 to 278.490, inclusive.

3. The board of county commissioners of any county may exempt any parcel or parcels of land from the provisions of NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act,~~ if:

(a) The land is owned by a railroad company or by a nonprofit corporation organized and existing pursuant to the provisions of chapter 81 or 82 of NRS which is an immediate successor in title to a railroad company, and the land was in the past used in connection with any railroad operation; and

(b) Other persons now permanently reside on the land.

4. Except as otherwise provided in subsection 5, this chapter, including, without limitation, any requirements relating to the adjustment of boundary lines or the filing of a parcel map or record of survey, does not apply to the

division, exchange or transfer of land for agricultural purposes if each parcel resulting from such a division, exchange or transfer:

(a) Is 10 acres or more in size, unless local zoning laws require a larger minimum parcel size, in which case each parcel resulting from the division, exchange or transfer must comply with the parcel size required by those local zoning laws;

(b) Has a zoning classification that is consistent with the designation in the master plan, if any, regarding land use for the parcel;

(c) Can be described by reference to the standard subdivisions used in the United States Public Land Survey System;

(d) Qualifies for agricultural use assessment under NRS 361A.100 to 361A.160, inclusive, and any regulations adopted pursuant thereto; and

(e) Is accessible:

(1) By way of an existing street, road or highway;

(2) Through other adjacent lands owned by the same person; or

(3) By way of an easement for agricultural purposes that was granted in connection with the division, exchange or transfer.

5. The exemption from the provisions of this chapter, which exemption is set forth in subsection 4, does not apply with respect to any parcel resulting from the division, exchange or transfer of agricultural lands if:

(a) Such resulting parcel ceases to qualify for agricultural use assessment under NRS 361A.100 to 361A.160, inclusive, and any regulations adopted pursuant thereto; or

(b) New commercial buildings or residential dwelling units are proposed to be constructed on the parcel after the date on which the division, exchange or transfer took place. The provisions of this paragraph do not prohibit the expansion, repair, reconstruction, renovation or replacement of preexisting buildings or dwelling units that are:

(1) Dilapidated;

(2) Dangerous;

(3) At risk of being declared a public nuisance;

(4) Damaged or destroyed by fire, flood, earthquake or any natural or man-made disaster; or

(5) Otherwise in need of expansion, repair, reconstruction, renovation or replacement.

Sec. 46. NRS 278.325 is hereby amended to read as follows:

278.325 1. If a subdivision is proposed on land which is zoned for industrial or commercial development, neither the tentative nor the final map need show any division of the land into lots or parcels, but the streets and any other required improvements are subject to the requirements of NRS 278.010 to 278.630, inclusive ~~1-1~~, ~~and section 271~~ sections 27.1 to 27.9, inclusive, of this act.

2. No parcel of land may be sold for residential use from a subdivision whose final map does not show a division of the land into lots.

3. Except as otherwise provided in subsection 4, a boundary or line must not be created by a conveyance of a parcel from an industrial or commercial subdivision unless a professional land surveyor has surveyed the boundary or line and set the monuments. The surveyor shall file a record of the survey pursuant to the requirements set forth in NRS 625.340. Any conveyance of such a parcel must contain a legal description of the parcel that is independent of the record of survey.

4. The provisions of subsection 3 do not apply to a boundary or line that is created entirely within an existing industrial or commercial building. A certificate prepared by a professional engineer or registered architect certifying compliance with the applicable law of this State in effect at the time of the preparation of the certificate and with the building code in effect at the time the building was constructed must be attached to any document which proposes to subdivide such a building.

5. A certificate prepared pursuant to subsection 4 for a building located in a county whose population is 700,000 or more must be reviewed, approved and signed by the building official having jurisdiction over the area within which the building is situated.

Sec. 47. NRS 278.326 is hereby amended to read as follows:

278.326 1. Local subdivision ordinances shall be enacted by the governing body of every incorporated city and every county, prescribing regulations which, in addition to the provisions of NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act~~ govern matters of improvements, mapping, accuracy, engineering and related subjects, but shall not be in conflict with NRS 278.010 to 278.630, inclusive ~~], and section 27.1 to 27.9, inclusive, of this act~~.

2. The subdivider shall comply with the provisions of the appropriate local ordinance before the final map is approved.

Sec. 48. NRS 278.327 is hereby amended to read as follows:

278.327 Approval of any map pursuant to the provisions of NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act~~ does not in itself prohibit the further division of the lots, parcels, sites, units or plots described, but any such further division shall conform to the applicable provisions of those sections.

Sec. 49. NRS 278.590 is hereby amended to read as follows:

278.590 1. It is unlawful for any person to contract to sell, to sell or to transfer any subdivision or any part thereof, or land divided pursuant to a parcel map or map of division into large parcels, unless:

(a) The required map thereof, in full compliance with the appropriate provisions of NRS 278.010 to 278.630, inclusive, ~~and section 27.1 to 27.9, inclusive, of this act~~

27.1 to 27.9, inclusive, of this act, and any local ordinance, has been recorded in the office of the recorder of each county in which the subdivision or land divided is located; or

(b) The person is contractually obligated to record the required map before title is transferred or possession is delivered, whichever is earlier, as provided in paragraph (a).

2. A person who violates the provisions of subsection 1 is guilty of a misdemeanor and is liable for a civil penalty of not more than \$300 for each lot or parcel sold or transferred.

3. This section does not bar any legal, equitable or summary remedy to which any aggrieved municipality or other political subdivision, or any person, may otherwise be entitled, and any such municipality or other political subdivision or person may file suit in the district court of the county in which any property attempted to be divided or sold in violation of any provision of NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act** is located to restrain or enjoin any attempted or proposed division or transfer in violation of those sections.

Sec. 50. NRS 278.630 is hereby amended to read as follows:

278.630 1. When there is no final map, parcel map or map of division into large parcels as required by the provisions of NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act**, then the county assessor shall:

(a) Determine any apparent discrepancies with respect to the provisions of NRS 278.010 to 278.630, inclusive ~~1~~, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act**;

(b) Report his or her determinations to the governing body of the county or city in which such apparent violation occurs in writing, including, without limitation, by noting such determinations in the appropriate parcel record of the county assessor; and

(c) Not place on the tax roll or maps of the county assessor any land for which the county assessor has determined that a discrepancy exists with respect to the provisions of NRS 278.010 to 278.630, inclusive ~~1~~, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act**.

2. Upon receipt of the report, the governing body shall cause an investigation to be made by the district attorney's office when such lands are within an unincorporated area, or by the city attorney when such lands are within a city, the county recorder and any planning commission having jurisdiction over the lands in question.

3. If the report shows evidence of violation of the provisions of NRS 278.010 to 278.630, inclusive, **and ~~section 27~~ sections 27.1 to 27.9, inclusive, of this act**, with respect to the division of lands or upon the filing of a verified complaint by any municipality or other political subdivision or

person, firm or corporation with respect to violation of the provisions of those sections, the district attorney of each county in this State shall prosecute all such violations in respective counties in which the violations occur.

Sec. 50.5. Each planning commission, as defined in NRS 278.013, and governing body, as defined in NRS 278.015, shall adopt the aboveground utility plan required by section 27.5 of this act on or before December 31, 2014.

Sec. 51. The Public Utilities Commission of Nevada shall adopt the regulations required by sections ~~19 and 20~~ **and 27.9** of this act on or before December 31, 2013.

Sec. 52. Notwithstanding any other provision of law to the contrary, any application 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 submitted by an applicant pursuant to NRS 701A.360 on or after the effective date of this section is subject to the provisions of NRS 701A.360, 701A.365, 701A.370, 701A.385 and 701A.390 as amended by sections 3 to 7, inclusive, of this act, and the Director of the Office of Energy shall not, before July 1, 2013, approve any such application submitted on or after the effective date of this section but before July 1, 2013.

Sec. 52.5. The provisions of sections 27.1 to 27.9, inclusive, of this act and the amendatory provisions of sections 28 to 50, inclusive, of this act do not apply to an application for the issuance of a special use permit for the construction of a utility project, as that term is defined in NRS 278.0195, or for the construction of a renewable energy generation project, as that term is defined in NRS 278.01735, with a nameplate capacity of 10 megawatts or more which is submitted by an applicant to a planning commission or the governing body of a local government before July 1, 2013.

Sec. 53. 1. This section and section 52 of this act become effective upon passage and approval.

2. Sections 1 to 51, inclusive, **and 52.5** of this act become effective on July 1, 2013.

3. Sections 10 to 21, inclusive, of this act expire by limitation on June 30, 2018.

4. Sections ~~19~~ **2.5** to 7, inclusive, of this act expire by limitation on June 30, 2049.

Assemblywoman Carlton moved the adoption of the amendment.

Remarks by Assemblywoman Carlton.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 325.

Bill read third time.

Remarks by Assemblyman Martin.

ASSEMBLYMAN MARTIN:

Assembly Bill 325 authorizes a court, before sentencing a defendant who has been convicted of a felony and has never been sentenced to prison as an adult for than six months, to commit the defendant to the Department of Corrections for a complete evaluation. The commitment may not exceed 90 days but may be extended once for an additional 60 days at the request of the department. The bill requires the department to evaluate the defendant's previous delinquency or criminal record; social background and capability; and emotional, mental, and physical health, as well as suitable programs and resources that are available to him or her for rehabilitation. Not later than the end of the period of the commitment, the department must report the results of its evaluation to the court, including any recommendations that may help the court determine the proper sentence. Upon receiving the report, A.B. 325 requires the court to sentence the defendant to probation or an appropriate term of imprisonment.

Roll call on Assembly Bill No. 325:

YEAS—42.

NAYS—None.

Assembly Bill No. 325 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 167.

Bill read third time.

Remarks by Assemblyman Carrillo.

ASSEMBLYMAN CARRILLO:

Assembly Bill 167 requires a nonresident entity that owns a vehicle operated in this state by an employee, independent contractor, or any other person for the purpose of engaging in the business of the nonresident owner to apply for a nonresident business permit from the Department of Motor Vehicles within ten days after commencing such operation. The bill requires the nonresident owner to pay a fee of \$200 for the first vehicle permit and \$150 for each additional permitted vehicle. The nonresident owner must also submit proof that the vehicle is currently registered, insured, and tested for emissions in the state, country, or other place the owner is a resident.

Assembly Bill 167 requires the DMV to issue an indicator to a nonresident owner who properly permits a vehicle. The indicator must be displayed on the vehicle, is nontransferable, and expires after one year. A person who violates the provisions of the bill is guilty of a misdemeanor and shall be punished by a fine of no more than \$500 for the first offense and \$750 for the second and each subsequent offense.

Finally, A.B. 167 does not apply to vehicles rented or leased on a short-term basis.

Roll call on Assembly Bill No. 167:

YEAS—42.

NAYS—None.

Assembly Bill No. 167 having received a two-thirds majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 335.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

Assembly Bill 335 creates the University of Nevada, Las Vegas Campus Improvement Authority. The duties of the Authority include studying the need for, feasibility of, financing alternative for a large events center, financing alternative for a large events center and other required infrastructure, and supporting improvements in the Authority area.

It establishes and defines an 11-member Board of Directors consisting of 4 members appointed by the Board of Regents who are either Regents or an officer of the University, 1 member appointed by the Governor, 1 member appointed by the Majority Leader of the Senate, 1 member appointed by the Speaker of the Assembly, 1 member appointed by the Board of County Commissioners who is either a Commissioner or an officer of the County, 1 member appointed by the County Fair and Recreation Board who is a member of the County Fair and Recreation Board but who is not a County Commissioner, and 2 members appointed by the other Authority members from a list of nominees prepared by the County Fair and Recreation Board who are employed in an executive position in the County by a business in the tourism, hotel and gaming industry.

In Section 18, if the Board of Regents determines it shall make its authorized appointments to the Authority, the Board of Regents must do so on or before August 31, 2013.

It goes into the issuance of the bonds and other matters relating to the establishment of this Authority. It is a good bill, Madam Speaker.

Roll call on Assembly Bill No. 335:

YEAS—42.

NAYS—None.

Assembly Bill No. 335 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 360.

Bill read third time.

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 940.

AN ACT relating to gaming; revising provisions governing ~~the taxation of~~ **interactive** gaming; ~~providing certain restrictions governing restricted licenses to operate gaming;~~ **revising provisions governing the operation of** ~~race books and sports pools;~~ **registration of persons who hold an ownership interest in certain entities which hold a gaming license; revising provisions relating to the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems and interactive gaming systems; revising provisions relating to the regulation of independent testing laboratories; providing for an interim study of certain issues concerning the impact of technology upon the regulation of gaming and upon the**

distinction between restricted and nonrestricted gaming licensees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~Existing law provides that a nonrestricted gaming licensee is responsible to pay certain fees and taxes, including certain fees based on the gross revenue of the licensee. (NRS 463.370) Existing law further provides that a restricted gaming licensee and an operator of a slot machine route are required to pay certain fees and taxes. (Chapter 463 of NRS.)~~ **Section 1** of this bill ~~requires a person who controls more than 500 slot machines to pay the same fees and taxes as a person who operates a nonrestricted operation.~~

~~Existing law: (1) prohibits certain actions relating to gaming without procuring and maintaining the required licensure; and (2) provides that a single establishment may not contain more than one licensed operation unless the establishment holds a nonrestricted gaming license. (NRS 463.160, 463.245) Existing law also defines: (1) "race book" as the business of accepting pari mutuel wager upon the outcome of an event held at a track; and (2) "sports pool" as the business of accepting wagers on sporting events by any system or method of wagering. (NRS 463.01858, 463.0193) Section 3 of this bill provides that a separate license is required for each location of a race book or sports pool, and further provides that certain activities relating to the acceptance and payment of wagers and transactions in person or through mechanical means, such as a kiosk or similar device, are considered within the operation of a race book or sports pool. Section 5 of this bill clarifies that the exception to the single license at one establishment only applies to those nonrestricted licenses at an establishment with 16 or more slot machines, at an establishment with any number of slot machines together with any other game, gaming device, race book or sports pool or for a mobile gaming system.~~

~~Existing law: (1) defines a "restricted license" as a state gaming license to operate not more than 15 slot machines at an establishment in which the operation of slot machines is incidental to the primary business of the establishment; and (2) provides that such a license may only be granted to the operator of the primary business or to a licensed operator of a slot machine route. (NRS 463.0189, 463.161) Section 4 of this bill provides that, in a county whose population is 100,000 or more (currently Clark and Washoe Counties), a restricted license may only be granted at certain establishments if the establishment contains: (1) a minimum of 2,500 square feet of space available for patrons; (2) a permanent, physical bar; and (3) a restaurant which meets certain requirements.~~

~~Section 6 of this bill provides that the provisions of this bill prohibiting the granting of restricted licenses, unless the establishment meets certain criteria, apply prospectively to new restricted licenses issued on or after January 1,~~

~~2014. Section 6 also provides that the provisions of this bill pertaining to the licensure of race books and sports pools apply to all race books, sports pools and associated equipment in existence on January 1, 2014.~~ provides that the Nevada Gaming Commission may, upon the recommendation of the State Gaming Control Board, adopt regulations allowing promotional schemes to be conducted by licensed operators of interactive gaming in direct association with a licensed interactive gaming activity, contest or tournament that includes a raffle, drawing or other similar game of chance.

Under existing law, the Commission and the Board are required to administer state gaming licenses and manufacturer's, seller's and distributor's licenses, and to perform various acts relating to the regulation and control of gaming. (NRS 463.140) Sections 2-5 of this bill revise the definitions of the terms "cashless wagering system," "gaming employee," "gross revenue" and "wagering credit" for the purposes of the statutory provisions governing the licensing and control of gaming.

Existing law requires audits of the financial statements of all nonrestricted licensees whose annual gross revenue is \$5,000,000 or more, and requires the amount of annual gross revenue to be increased or decreased annually in an amount determined by the Commission and corresponding to the Consumer Price Index. (NRS 463.159) Section 6 of this bill requires the Board to make such a determination.

Existing law also requires a limited partner holding a 5 percent or less ownership interest in a limited partnership or a member holding a 5 percent or less ownership interest in a limited-liability company, who holds or applies for a state gaming license, to register with the Board and submit to the Board's jurisdiction within 30 days after the person acquires a 5 percent or less ownership interest. (NRS 463.569, 463.5735) Sections 7 and 8 of this bill remove the requirement to register with the Board after acquiring such an ownership interest, and instead require a person to register upon seeking to hold a 5 percent or less ownership interest.

Existing law requires the Commission to adopt regulations providing for the registration of independent testing laboratories, which may be utilized by the Board to inspect and certify gaming devices, equipment and systems, and any components thereof, and providing for the standards and procedures for the revocation of the registration of such independent testing laboratories. (NRS 463.670) Section 9 of this bill: (1) extends the requirement of registration to additional persons that own, operate or have significant involvement with an independent testing laboratory; (2) provides that a person who is registered pursuant to section 9 is subject to the same investigatory and disciplinary procedures

as all other gaming licensees; and (3) authorizes the Commission to require a registered independent testing laboratory and certain persons associated with a registered independent testing laboratory to file an application for a finding of suitability.

Assembly Bill No. 114 of this session, which was enacted by the Legislature and approved by the Governor and which became effective on February 21, 2013: (1) required the Commission, by regulation, to authorize the Governor, on behalf of the State of Nevada, to enter into agreements with other states, or authorized agencies thereof, to enable patrons in the signatory states to participate in interactive gaming; (2) required the regulations adopted by the Commission to be adopted in accordance with the Nevada Administrative Procedure Act; and (3) required the regulations to set forth provisions for any potential arrangements to share revenue. Sections 11 and 12 of this bill amend the provisions of Assembly Bill No. 114 to: (1) allow agreements for interactive agreements to be made with governmental units of other nations, states or local bodies exercising governmental functions; (2) provide that the regulations adopted by the Commission are not required to be adopted in accordance with the Nevada Administrative Procedure Act; and (3) authorize the Commission to include specific requirements for the agreements entered into by the State of Nevada and another government.

Senate Bill No. 416 of this session enacted certain requirements for the issuance of restricted licenses for certain businesses, which were to become effective on July 1, 2013. Sections 13 and 14 of this bill change the effective date of those provisions to January 1, 2014.

Section 15 of this bill requires the Legislative Commission to create a committee to conduct an interim study concerning the impact of technology upon the regulation of gaming and upon the distinction between restricted and nonrestricted gaming licensees.

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

Delete existing sections 1 through 7 of this bill and replace with the following new sections 1 through 16:

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

The Commission may, upon the recommendation of the Board, adopt regulations that allow promotional schemes to be conducted by licensed operators of interactive gaming in direct association with a licensed interactive gaming activity, contest or tournament that includes a raffle, drawing or other similar game of chance.

Sec. 2. NRS 463.014 is hereby amended to read as follows:

463.014 “Cashless wagering system” means a method of wagering and accounting:

1. In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer operated and maintained by a licensee which maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or

2. Used in a race book or sports pool in which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained on a computer that maintains a record of each transaction involving the wagering instrument or wagering credits and is operated and maintained by a licensee.

Sec. 3. NRS 463.0157 is hereby amended to read as follows:

463.0157 1. “Gaming employee” means any person connected directly with an operator of a slot route, the operator of a pari-mutuel system, the operator of an inter-casino linked system or a manufacturer, distributor or disseminator, or with the operation of a gaming establishment licensed to conduct any game, 16 or more slot machines, a race book, sports pool or pari-mutuel wagering, including:

(a) Accounting or internal auditing personnel who are directly involved in any recordkeeping or the examination of records associated with revenue from gaming;

(b) Boxpersons;

(c) Cashiers;

(d) Change personnel;

(e) Counting room personnel;

(f) Dealers;

(g) Employees of a person required by NRS 464.010 to be licensed to operate an off-track pari-mutuel system;

(h) Employees of a person required by NRS 463.430 to be licensed to disseminate information concerning racing and employees of an affiliate of such a person involved in assisting the person in carrying out the duties of the person in this State;

(i) Employees whose duties are directly involved with the manufacture, repair, sale or distribution of gaming devices, cashless wagering systems, mobile gaming systems, equipment associated with mobile gaming systems, interactive gaming systems or equipment associated with interactive gaming;

(j) Employees of operators of slot routes who have keys for slot machines or who accept and transport revenue from the slot drop;

(k) Employees of operators of inter-casino linked systems, mobile gaming systems or interactive gaming systems whose duties include the operational or supervisory control of the systems or the games that are part of the systems;

(l) Employees of operators of call centers who perform, or who supervise the performance of, the function of receiving and transmitting wagering instructions;

(m) Employees who have access to the Board's system of records for the purpose of processing the registrations of gaming employees that a licensee is required to perform pursuant to the provisions of this chapter and any regulations adopted pursuant thereto;

(n) Floorpersons;

(o) Hosts or other persons empowered to extend credit or complimentary services;

(p) Keno runners;

(q) Keno writers;

(r) Machine mechanics;

(s) Odds makers and line setters;

(t) Security personnel;

(u) Shift or pit bosses;

(v) Shills;

(w) Supervisors or managers;

(x) Ticket writers;

(y) Employees of a person required by NRS 463.160 to be licensed to operate an information service; ~~and~~

(z) **Employees of a licensee who have local access and provide management, support, security or disaster recovery services for any hardware or software that is regulated pursuant to the provisions of this chapter and any regulations adopted pursuant thereto; and**

(aa) Temporary or contract employees hired by a licensee to perform a function related to gaming.

2. "Gaming employee" does not include barbacks ~~or~~ **or bartenders, whose duties do not involve gaming activities,** cocktail servers or other persons engaged exclusively in preparing or serving food or beverages.

3. As used in this section, "local access" means access to hardware or software from within a licensed gaming establishment, hosting center or elsewhere within this State.

Sec. 4. NRS 463.0161 is hereby amended to read as follows:

463.0161 1. "Gross revenue" means the total of all:

(a) Cash received as winnings;

(b) Cash received in payment for credit extended by a licensee to a patron for purposes of gaming; and

(c) Compensation received for conducting any game , or any contest or tournament in conjunction with interactive gaming, in which the licensee is not party to a wager,

↳ less the total of all cash paid out as losses to patrons, those amounts paid to fund periodic payments and any other items made deductible as losses by NRS 463.3715. For the purposes of this section, cash or the value of noncash prizes awarded to patrons in a contest or tournament are not losses, except that losses in a contest or tournament conducted in conjunction with an inter-casino linked system or interactive gaming may be deducted to the extent of the compensation received for the right to participate in that contest or tournament.

2. The term does not include:

(a) Counterfeit facsimiles of money, chips, tokens, wagering instruments or wagering credits;

(b) Coins of other countries which are received in gaming devices;

(c) Any portion of the face value of any chip, token or other representative of value won by a licensee from a patron for which the licensee can demonstrate that it or its affiliate has not received cash;

(d) Cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not reimbursed;

(e) Cash received as entry fees for contests or tournaments in which patrons compete for prizes, except for a contest or tournament conducted in conjunction with an inter-casino linked system ~~for~~ or interactive gaming;

(f) Uncollected baccarat commissions; or

(g) Cash provided by the licensee to a patron and subsequently won by the licensee, for which the licensee can demonstrate that it or its affiliate has not been reimbursed.

3. As used in this section, "baccarat commission" means:

(a) A fee assessed by a licensee on cash paid out as a loss to a patron at baccarat to modify the odds of the game; or

(b) A rate or fee charged by a licensee for the right to participate in a baccarat game.

Sec. 5. NRS 463.01963 is hereby amended to read as follows:

463.01963 "Wagering credit" means a representative of value, other than a chip, token or wagering instrument, that is used for wagering at a game ~~for~~ gaming device, race book or sports pool and is obtained by the payment of cash or a cash equivalent, the use of a wagering instrument or the electronic transfer of money.

Sec. 6. NRS 463.159 is hereby amended to read as follows:

463.159 1. The Commission shall by regulation require audits of the financial statements of all nonrestricted licensees whose annual gross revenue is \$5,000,000 or more.

2. The Commission may require audits, compiled statements or reviews of the financial statements of nonrestricted licensees whose annual gross revenue is less than \$5,000,000.

3. The amounts of annual gross revenue provided for in subsections 1 and 2 must be increased or decreased annually in an amount corresponding to the percentage of increase or decrease in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding year. On or before December 15 of each year, the ~~Commission~~ **Board** shall determine the amount of the increase or decrease required by this subsection and establish the adjusted amounts of annual gross revenue in effect for the succeeding calendar year. The audits, compilations and reviews provided for in subsections 1 and 2 must be made by independent accountants holding permits to practice public accounting in the State of Nevada.

4. Except as otherwise provided in subsection 5, for every audit required pursuant to this section:

(a) The independent accountants shall submit an audit report which must express an unqualified or qualified opinion or, if appropriate, disclaim an opinion on the statements taken as a whole in accordance with standards for the accounting profession established by rules and regulations of the Nevada State Board of Accountancy, but the preparation of statements without audit does not constitute compliance.

(b) The examination and audit must disclose whether the accounts, records and control procedures maintained by the licensee are as required by the regulations published by the Commission pursuant to NRS 463.156 to 463.1592, inclusive.

5. If the license of a nonrestricted licensee is terminated within 3 months after the end of a period covered by an audit, the licensee may submit compiled statements in lieu of an additional audited statement for the licensee's final period of business.

Sec. 7. NRS 463.569 is hereby amended to read as follows:

463.569 1. Every general partner of, and every limited partner with more than a 5 percent ownership interest in, a limited partnership which holds a state gaming license must be licensed individually, according to the provisions of this chapter, and if, in the judgment of the Commission, the public interest will be served by requiring any other limited partners or any or all of the limited partnership's lenders, holders of evidence of indebtedness, underwriters, key executives, agents or employees to be licensed, the limited partnership shall require those persons to apply for a license in accordance with the laws and requirements in effect at the time the Commission requires the licensing. Publicly traded corporations which are limited partners of limited partnerships are not required to be licensed, but shall comply with NRS 463.635 to 463.645, inclusive. A person who is

required to be licensed by this section as a general or limited partner shall not receive that position until the person secures the required approval of the Commission. A person who is required to be licensed pursuant to a decision of the Commission shall apply for a license within 30 days after the Commission requests the person to do so.

2. All limited partners ~~holding~~ **seeking to hold** a 5 percent or less ownership interest in a limited partnership, other than a publicly traded limited partnership, which hold or apply for a state gaming license, must register in that capacity with the Board and submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Chair of the Board. The Chair of the Board may require a registrant to apply for licensure at any time in the Chair's discretion. ~~[A person who is required to be registered by this section shall apply for registration within 30 days after the person becomes a limited partner holding a 5 percent or less ownership interest in a limited partnership.]~~

3. The Commission may, with the advice and assistance of the Board, adopt such regulations as it deems necessary to carry out the provisions of subsection 2.

Sec. 8. NRS 463.5735 is hereby amended to read as follows:

463.5735 1. Every member and transferee of a member's interest with more than a 5 percent ownership interest in a limited-liability company, and every director and manager of a limited-liability company which holds or applies for a state gaming license, must be licensed individually according to the provisions of this chapter.

2. All members ~~holding~~ **seeking to hold** a 5 percent or less ownership interest in a limited-liability company, other than a publicly traded limited-liability company, which hold or apply for a state gaming license, must register in that capacity with the Board and submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Chair of the Board. The Chair of the Board may require a registrant to apply for licensure at any time in the Chair's discretion. ~~[A person who is required to be registered by this section shall apply for registration within 30 days after the person becomes a member holding a 5 percent or less ownership interest in a limited liability company.]~~

3. If, in the judgment of the Commission, the public interest will be served by requiring any members with a 5 percent or less ownership interest in a limited-liability company, or any of the limited-liability company's lenders, holders of evidence of indebtedness, underwriters, key executives, agents or employees to be licensed:

(a) The limited-liability company shall require those persons to apply for a license in accordance with the laws and requirements in effect at the time the Commission requires the licensing; and

(b) Those persons shall apply for a license within 30 days after being requested to do so by the Commission.

4. A publicly traded corporation which is a member of a limited-liability company is not required to be licensed, but shall comply with NRS 463.635 to 463.645, inclusive.

5. No person may become a member or a transferee of a member's interest in a limited-liability company which holds a license until the person secures the required approval of the Commission.

6. A director or manager of a limited-liability company shall apply for a license within 30 days after assuming office.

7. The Commission may, with the advice and assistance of the Board, adopt such regulations as it deems necessary to carry out the provisions of subsection 2.

Sec. 9. NRS 463.670 is hereby amended to read as follows:

463.670 1. The Legislature finds and declares as facts:

(a) That the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems and interactive gaming systems is essential to carry out the provisions of this chapter.

(b) That the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems and interactive gaming systems is greatly facilitated by the opportunity to inspect components before assembly and to examine the methods of manufacture.

(c) That the interest of this State in the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems and interactive gaming systems must be balanced with the interest of this State in maintaining a competitive gaming industry in which games can be efficiently and expeditiously brought to the market.

2. The Commission may, with the advice and assistance of the Board, adopt and implement procedures that preserve and enhance the necessary balance between the regulatory and economic interests of this State which are critical to the vitality of the gaming industry of this State.

3. The Board may inspect every game or gaming device which is manufactured, sold or distributed:

(a) For use in this State, before the game or gaming device is put into play.

(b) In this State for use outside this State, before the gaming device is shipped out of this State.

4. The Board may inspect every game or gaming device which is offered for play within this State by a state gaming licensee.

5. The Board may inspect all associated equipment, every cashless wagering system, every inter-casino linked system, every mobile gaming system and every interactive gaming system which is manufactured, sold or distributed for use in this State before the equipment or system is installed or used by a state gaming licensee and at any time while the state gaming licensee is using the equipment or system.

6. In addition to all other fees and charges imposed by this chapter, the Board may determine, charge and collect an inspection fee from each manufacturer, seller, distributor or independent testing laboratory which must not exceed the actual cost of inspection and investigation.

7. The Commission shall adopt regulations which:

(a) Provide for the registration of independent testing laboratories ~~and~~ and of each person that owns, operates or has significant involvement with an independent testing laboratory, specify the form of the application required for such registration, set forth the qualifications required for such registration and establish the fees required for the application, the investigation of the applicant and the registration of the applicant.

(b) Authorize the Board to utilize independent testing laboratories for the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof.

(c) Establish uniform protocols and procedures which the Board and independent testing laboratories must follow during an inspection performed pursuant to subsection 3 or 5, and which independent testing laboratories must follow during the certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof, for use in this State or for shipment from this State.

(d) Allow an application for the registration of an independent testing laboratory to be granted upon the independent testing laboratory's completion of an inspection performed in compliance with the uniform protocols and procedures established pursuant to paragraph (c) and satisfaction of such other requirements that the Board may establish.

(e) Provide the standards and procedures for the revocation of the registration of an independent testing laboratory.

(f) Provide the standards and procedures relating to the filing of an application for a finding of suitability pursuant to this section and the remedies should a person be found unsuitable.

(g) Provide any additional provisions which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129.

8. The Commission shall retain jurisdiction over any person registered pursuant to this section, and any regulations adopted pursuant thereto, in all matters relating to a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, even if the person ceases to be registered.

9. A person registered pursuant to this section is subject to the investigatory and disciplinary proceedings that are set forth in NRS 463.310 to 463.318, inclusive, and shall be punished as provided in those sections.

10. The Commission may, upon recommendation of the Board, require the following persons to file an application for a finding of suitability:

(a) A registered independent testing laboratory.

(b) An employee of a registered independent testing laboratory.

(c) An officer, director, partner, principal, manager, member, trustee or direct or beneficial owner of a registered independent testing laboratory or any person that owns or has significant involvement with the activities of a registered independent testing laboratory.

11. If a person fails to submit an application for a finding of suitability within 30 days after a demand by the Commission pursuant to this section, the Commission may make a finding of unsuitability. Upon written request, such period may be extended by the Chair of the Commission, at the Chair's sole and absolute discretion.

12. As used in this section, unless the context otherwise requires, "independent testing laboratory" means a private laboratory that is registered by the ~~Commission~~ Board to inspect and certify games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems ~~and~~ or interactive gaming systems, and any components thereof ~~and~~ and modifications thereto, and to perform such other services as the Board and Commission may request.

Sec. 10. NRS 465.094 is hereby amended to read as follows:

465.094 The provisions of NRS 465.092 and 465.093 do not apply to a wager placed by a person for the person's own benefit or, without compensation, for the benefit of another that is accepted or received by, placed with, or sent, transmitted or relayed to:

1. A race book or sports pool that is licensed pursuant to chapter 463 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering;

2. A person who is licensed to engage in off-track pari-mutuel wagering pursuant to chapter 464 of NRS, if the wager is accepted or received within this State and otherwise complies with subsection 3 of NRS 464.020 and all other applicable laws and regulations concerning wagering;

3. A person who is licensed to operate a mobile gaming system pursuant to chapter 463 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering;

4. Any other person or establishment that is licensed to engage in wagering pursuant to title 41 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering; or

5. Any other person or establishment that is licensed to engage in wagering in another ~~state~~ **jurisdiction** and is permitted to accept or receive a wager from patrons within this State under an agreement entered into by the Governor pursuant to section 6 of Assembly Bill No. 114 of this session.

Sec. 11. NRS 233B.039 is hereby amended to read as follows:

233B.039 1. The following agencies are entirely exempted from the requirements of this chapter:

(a) The Governor.

(b) Except as otherwise provided in NRS 209.221, the Department of Corrections.

(c) The Nevada System of Higher Education.

(d) The Office of the Military.

(e) The State Gaming Control Board.

(f) Except as otherwise provided in NRS 368A.140 and 463.765, ~~and section 6 of this act,~~ the Nevada Gaming Commission.

(g) The Division of Welfare and Supportive Services of the Department of Health and Human Services.

(h) Except as otherwise provided in NRS 422.390, the Division of Health Care Financing and Policy of the Department of Health and Human Services.

(i) The State Board of Examiners acting pursuant to chapter 217 of NRS.

(j) Except as otherwise provided in NRS 533.365, the Office of the State Engineer.

(k) The Division of Industrial Relations of the Department of Business and Industry acting to enforce the provisions of NRS 618.375.

(l) The Administrator of the Division of Industrial Relations of the Department of Business and Industry in establishing and adjusting the schedule of fees and charges for accident benefits pursuant to subsection 2 of NRS 616C.260.

(m) The Board to Review Claims in adopting resolutions to carry out its duties pursuant to NRS 590.830.

(n) The Silver State Health Insurance Exchange.

2. Except as otherwise provided in subsection 5 and NRS 391.323, the Department of Education, the Board of the Public Employees' Benefits Program and the Commission on Professional Standards in Education are

subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

3. The special provisions of:

(a) Chapter 612 of NRS for the distribution of regulations by and the judicial review of decisions of the Employment Security Division of the Department of Employment, Training and Rehabilitation;

(b) Chapters 616A to 617, inclusive, of NRS for the determination of contested claims;

(c) Chapter 91 of NRS for the judicial review of decisions of the Administrator of the Securities Division of the Office of the Secretary of State; and

(d) NRS 90.800 for the use of summary orders in contested cases,

↪ prevail over the general provisions of this chapter.

4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do not apply to the Department of Health and Human Services in the adjudication of contested cases involving the issuance of letters of approval for health facilities and agencies.

5. The provisions of this chapter do not apply to:

(a) Any order for immediate action, including, but not limited to, quarantine and the treatment or cleansing of infected or infested animals, objects or premises, made under the authority of the State Board of Agriculture, the State Board of Health, or any other agency of this State in the discharge of a responsibility for the preservation of human or animal health or for insect or pest control;

(b) An extraordinary regulation of the State Board of Pharmacy adopted pursuant to NRS 453.2184;

(c) A regulation adopted by the State Board of Education pursuant to NRS 392.644 or 394.1694; or

(d) The judicial review of decisions of the Public Utilities Commission of Nevada.

6. The State Board of Parole Commissioners is subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

Sec. 12. Section 6 of Assembly Bill No. 114 of this session is hereby amended to read as follows:

Sec. 6. 1. ~~[(The)]~~ Upon recommendation of the Commission ~~_, [shall, by regulation, authorize]~~ the Governor, on behalf of the State of Nevada, is authorized to:

(a) Enter into agreements , in accordance with the requirements of this section, with other ~~[states, or authorized agencies thereof, to enable patrons]~~ governments whereby persons who are physically located in ~~[the]~~ a signatory ~~[states to]~~ jurisdiction may participate in interactive

gaming ~~offered by licensees in those~~ conducted by one or more operators licensed by one or more of the signatory ~~states;~~ governments; and

(b) Take all necessary actions to ensure that any agreement entered into pursuant to this section becomes effective.

2. ~~Any regulations adopted pursuant to subsection 1 must:~~

~~(a) Set forth provisions for any potential arrangements to share revenue between this State and any other state or agency within another state;~~

~~(b) Be adopted in accordance with the provisions of chapter 233B of NRS.~~ The Commission may:

(a) Make recommendations to the Governor to enter into agreements pursuant to this section.

(b) Upon the recommendation of the Board, adopt regulations relating to agreements pursuant to this section.

3. The regulations adopted by the Commission pursuant to this section may include, without limitation, provisions prescribing:

(a) The form, length and terms of an agreement entered into by this State and another government, including, without limitation, provisions relating to how:

(1) Taxes are to be treated by this State and another government;

(2) Revenues are to be shared and distributed; and

(3) Disputes with patrons are to be resolved.

(b) The information to be furnished to the Board and the Commission by a government that proposes to enter into an agreement with this State pursuant to this section.

(c) The information to be furnished by the Board to the Commission to enable the Commission to carry out the purposes of this section.

(d) The manner and procedure for hearings conducted by the Board and Commission pursuant to this section, including, without limitation, the need for any special rules or notices.

(e) The information to be furnished by the Commission to the Governor that supports the recommendations of the Commission made pursuant to this section.

(f) Any other procedures to be followed by the Board or Commission to carry out the purposes of this section.

4. The Governor may not enter into an agreement pursuant to this section unless the agreement includes provisions:

(a) For any potential arrangement for the sharing of revenues by this State and a government.

(b) That permit the effective regulation of interactive gaming by this State, including, without limitation, provisions relating to licensing of entities and natural persons, technical standards to be followed, resolution of disputes by patrons, requirements for bankrolls, enforcement, accounting and maintenance of records.

(c) That each government that is a signatory to the agreement agrees to prohibit operators of interactive gaming, service providers and manufacturers or distributors of interactive gaming systems from engaging in any activity permitted by the agreement unless such operators of interactive gaming, service providers or manufacturers or distributors of interactive gaming systems are licensed or found suitable:

(1) In this State; or

(2) In the signatory jurisdiction pursuant to requirements that are materially consistent with the corresponding requirements of this State.

(d) That no variation or derogation from the requirements of the agreement is permitted for any signatory government absent the consent of this State and all signatory governments.

(e) That prohibit any subordinate or side agreements, except with respect to sharing of revenues, among any subset of governments that are signatories to the agreement.

(f) That, if the agreement allows persons physically located in this State to participate in interactive gaming conducted by another government or an operator of interactive gaming licensed by another government, require that government to establish and maintain regulatory requirements governing interactive gaming that are materially consistent with the requirements of this State in all material respects.

5. As used in this section:

(a) "Government" means any governmental unit of a national, state or local body exercising governmental functions, other than the United States Government. The term includes, without limitation, national and subnational governments, including their respective departments, agencies and instrumentalities and any department, agency or authority of any such governmental unit that has authority over gaming or gambling activities.

(b) "Jurisdiction" means the country, state or other geographic area over which a government exercises legal authority.

Sec. 13. Section 7 of Senate Bill No. 416 of this session is hereby amended to read as follows:

Sec. 7. 1. Except as otherwise provided in this section, the amendatory provisions of section 3 of this act apply to the issuance of a restricted license on or after ~~July 1, 2013,~~ **January 1, 2014.**

2. Except as otherwise provided in subsection 3, an establishment that has been granted a restricted license by the Nevada Gaming Commission before ~~July 1, 2013,~~ **January 1, 2014,** but which is not in compliance with the provisions of paragraph (b) of subsection 2 of NRS 463.161, as amended by section 3 of this act, must come into compliance with those provisions upon the earlier of:

(a) A change of ownership of the business or the transfer of 50 percent or more of the stock or other ownership interest in the entity owning the business; or

(b) July 1, 2015.

3. An establishment which was granted a gaming license before December 22, 1990, and which has been operating at the same location since that date is not required to comply with the provisions of paragraph (b) of subsection 2 of NRS 463.161, as amended by section 3 of this act.

4. An establishment that has been granted a restricted license by the Commission before ~~July 1, 2013,~~ **January 1, 2014,** but which is not in compliance with the provisions of paragraph (a) or (c) of subsection 2 of NRS 463.161, as amended by section 3 of this act, is not required to come into compliance with those provisions unless the establishment ceases gaming operations for 18 or more consecutive months.

5. The Commission shall not renew the restricted license of an establishment that does not come into compliance with the amendatory provisions of section 3 of this act within the time required by this section.

6. This act applies to all race books, sports pools and associated equipment in existence on July 1, 2013.

Sec. 14. Section 8 of Senate Bill No. 416 of this session is hereby amended to read as follows:

Sec. 8. ~~{This}~~ **1. This section and sections 1, 2, 4 and 7 of this act becomes, become** effective on July 1, 2013.

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

Sec. 15. 1. The Legislative Commission shall create a committee to conduct an interim study concerning the impact of technology upon the regulation of gaming and upon the distinction between restricted and nonrestricted gaming licensees.

2. The committee created by the Legislative Commission to conduct the study must be composed of six voting members and seven nonvoting members, appointed and designated as follows:

(a) The Legislative Commission shall appoint three voting members of the Senate, at least one of whom must be a member of the minority political party.

(b) The Legislative Commission shall appoint three voting members of the Assembly, at least one of whom must be a member of the minority political party.

(c) The Legislative Commission shall appoint five nonvoting members, with one member representing each of the following:

(1) Manufacturers or developers of gaming technology;

(2) Entities engaged in the business of interactive gaming;

(3) Restricted gaming licensees;

(4) Nonrestricted gaming licensees; and

(5) Operators of race books and sports pools.

(d) The Chair of the Nevada Gaming Commission and the Chair of the State Gaming Control Board serve *ex officio* as nonvoting members of the committee.

3. The Legislative Commission shall appoint a Chair from among the voting members of the committee.

4. The committee shall study, without limitation:

(a) The impact of modern and evolving technology upon gaming and the regulation of gaming;

(b) Interactive gaming in Nevada and other jurisdictions, and any proposed or enacted federal legislation in this area;

(c) The regulatory distinction between restricted and nonrestricted licensure, and the impact of technology upon this distinction;

(d) The determination of whether the operation of slot machines is incidental to the primary business of a restricted gaming licensee, and minimum requirements that are or should be imposed upon such businesses;

(e) The effect of expanding capability of personal and portable electronic devices upon gaming and the regulation of gaming;

(f) The potential effects and consequences of authorizing the acceptance of race book and sports pool wagers made by an entity; and

(g) The effect of legislation approved by the 77th Session of the Nevada Legislature with regard to gaming and the regulation of gaming.

5. The Legislative Commission shall submit a report of the findings of the committee, including, without limitation, any recommendations for legislation, to the 78th Session of the Nevada Legislature.

6. For each day or portion of a day during which a member of the committee who is a Legislator attends a meeting of the committee or is otherwise engaged in the business of the committee, the Legislator is entitled to receive the:

(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session;

(b) Per diem allowance provided for state officers generally; and

(c) Travel expenses provided pursuant to NRS 218A.655.

➤ The compensation, per diem allowances and travel expenses of the members of the committee who are Legislators must be paid from the Legislative Fund.

Sec. 16. This act becomes effective upon passage and approval.

Assemblywoman Carlton moved the adoption of the amendment.

Remarks by Assemblywoman Carlton.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 506.

Bill read third time.

Remarks by Assemblywoman Bustamante Adams.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

Assembly Bill 506 provides that consideration is not received for the complimentary portion of any food, meals, or nonalcoholic drinks provided on a complimentary basis, in whole or in part, to the employees, patrons or guests of a retailer and, thus, the sales tax would not apply to the complimentary portion of such food, meals, or nonalcoholic drinks.

It also provides that the complimentary portion of any food, meals, or nonalcoholic drinks provided on a complimentary basis, in whole or in part, to the employees, patrons, or guests of a retailer does not lose its status as food for human consumption and, thus, is exempt from the use tax.

I just wanted to let the body know that this was an issue that was prevalent in our state, and all of the parties involved have come to great compromise. I want to thank everyone who did participate in bringing it to fruition and ask your support.

Roll call on Assembly Bill No. 506:

YEAS—41.

NAYS—None.

EXCUSED—Hogan.

Assembly Bill No. 506 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Assembly Bill No. 509.

Bill read third time.

Remarks by Assemblyman Martin.

ASSEMBLYMAN MARTIN:

Assembly Bill 509 adds references to the newly granted power of the Nevada Legislature to call special sessions under the provisions in Article 4, Section 2A of the *Nevada Constitution*. The measure updates and consolidates provisions related to the investigative powers of the Legislature and its interim and session committees, including the power to issue subpoenas. Finally, various redundant provisions are repealed.

Roll call on Assembly Bill No. 509:

YEAS—41.

NAYS—None.

EXCUSED—Hogan.

Assembly Bill No. 509 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 4:58 p.m.

ASSEMBLY IN SESSION

At 5:11 p.m.

Madam Speaker presiding.

Quorum present.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Horne moved that Assembly Bill No. 360 be taken from its position on the General File and placed at the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 360.

Bill read third time.

The following amendment was proposed by Assemblyman Horne:

Amendment No. 947.

AN ACT relating to gaming; revising provisions governing interactive gaming; revising provisions governing the registration of persons who hold an ownership interest in certain entities which hold a gaming license; revising provisions relating to the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems and interactive gaming systems; revising provisions relating to the regulation of independent testing laboratories; providing for an interim study of certain issues concerning the impact of technology upon the regulation of gaming and upon the distinction between restricted and nonrestricted gaming licensees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill provides that the Nevada Gaming Commission may, upon the recommendation of the State Gaming Control Board, adopt regulations allowing promotional schemes to be conducted by licensed operators of interactive gaming in direct association with a licensed

interactive gaming activity, contest or tournament that includes a raffle, drawing or other similar game of chance.

Under existing law, the Commission and the Board are required to administer state gaming licenses and manufacturer's, seller's and distributor's licenses, and to perform various acts relating to the regulation and control of gaming. (NRS 463.140) **Sections 2-5** of this bill revise the definitions of the terms "cashless wagering system," "gaming employee," "gross revenue" and "wagering credit" for the purposes of the statutory provisions governing the licensing and control of gaming. **Section 14.5 of this bill repeals a provision contained in section 3 of Senate Bill No. 9 of this session that also revised the definition of the term "gross revenue."**

Existing law requires audits of the financial statements of all nonrestricted licensees whose annual gross revenue is \$5,000,000 or more, and requires the amount of annual gross revenue to be increased or decreased annually in an amount determined by the Commission and corresponding to the Consumer Price Index. (NRS 463.159) **Section 6** of this bill requires the Board to make such a determination.

Existing law also requires a limited partner holding a 5 percent or less ownership interest in a limited partnership or a member holding a 5 percent or less ownership interest in a limited-liability company, who holds or applies for a state gaming license, to register with the Board and submit to the Board's jurisdiction within 30 days after the person acquires a 5 percent or less ownership interest. (NRS 463.569, 463.5735) **Sections 7 and 8** of this bill remove the requirement to register with the Board after acquiring such an ownership interest, and instead require a person to register upon seeking to hold a 5 percent or less ownership interest.

Existing law requires the Commission to adopt regulations providing for the registration of independent testing laboratories, which may be utilized by the Board to inspect and certify gaming devices, equipment and systems, and any components thereof, and providing for the standards and procedures for the revocation of the registration of such independent testing laboratories. (NRS 463.670) **Section 9** of this bill: (1) extends the requirement of registration to additional persons that own, operate or have significant involvement with an independent testing laboratory; (2) provides that a person who is registered pursuant to **section 9** is subject to the same investigatory and disciplinary procedures as all other gaming licensees; and (3) authorizes the Commission to require a registered independent testing laboratory and certain persons associated with a registered independent testing laboratory to file an application for a finding of suitability.

Assembly Bill No. 114 of this session, which was enacted by the Legislature and approved by the Governor and which became effective on February 21, 2013: (1) required the Commission, by regulation, to authorize

the Governor, on behalf of the State of Nevada, to enter into agreements with other states, or authorized agencies thereof, to enable patrons in the signatory states to participate in interactive gaming; (2) required the regulations adopted by the Commission to be adopted in accordance with the Nevada Administrative Procedure Act; and (3) required the regulations to set forth provisions for any potential arrangements to share revenue. **Sections 11 and 12** of this bill amend the provisions of Assembly Bill No. 114 to: (1) allow agreements for interactive agreements to be made with governmental units of other nations, states or local bodies exercising governmental functions; (2) provide that the regulations adopted by the Commission are not required to be adopted in accordance with the Nevada Administrative Procedure Act; and (3) authorize the Commission to include specific requirements for the agreements entered into by the State of Nevada and another government.

Senate Bill No. 416 of this session enacted certain requirements for the issuance of restricted licenses for certain businesses, which were to become effective on July 1, 2013. **Sections 13 and 14** of this bill change the effective date of those provisions to January 1, 2014.

Section 15 of this bill requires the Legislative Commission to create a committee to conduct an interim study concerning the impact of technology upon the regulation of gaming and upon the distinction between restricted and nonrestricted gaming licensees.

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

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

The Commission may, upon the recommendation of the Board, adopt regulations that allow promotional schemes to be conducted by licensed operators of interactive gaming in direct association with a licensed interactive gaming activity, contest or tournament that includes a raffle, drawing or other similar game of chance.

Sec. 2. NRS 463.014 is hereby amended to read as follows:

463.014 “Cashless wagering system” means a method of wagering and accounting:

1. In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer operated and maintained by a licensee which maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or

2. Used in a race book or sports pool in which the validity and value of a wagering instrument *or wagering credits* are determined, monitored and retained on a computer that maintains a record of each transaction involving the wagering instrument *or wagering credits* and is operated and maintained by a licensee.

Sec. 3. NRS 463.0157 is hereby amended to read as follows:

463.0157 1. “Gaming employee” means any person connected directly with an operator of a slot route, the operator of a pari-mutuel system, the operator of an inter-casino linked system or a manufacturer, distributor or disseminator, or with the operation of a gaming establishment licensed to conduct any game, 16 or more slot machines, a race book, sports pool or pari-mutuel wagering, including:

(a) Accounting or internal auditing personnel who are directly involved in any recordkeeping or the examination of records associated with revenue from gaming;

(b) Boxpersons;

(c) Cashiers;

(d) Change personnel;

(e) Counting room personnel;

(f) Dealers;

(g) Employees of a person required by NRS 464.010 to be licensed to operate an off-track pari-mutuel system;

(h) Employees of a person required by NRS 463.430 to be licensed to disseminate information concerning racing and employees of an affiliate of such a person involved in assisting the person in carrying out the duties of the person in this State;

(i) Employees whose duties are directly involved with the manufacture, repair, sale or distribution of gaming devices, cashless wagering systems, mobile gaming systems, equipment associated with mobile gaming systems, interactive gaming systems or equipment associated with interactive gaming;

(j) Employees of operators of slot routes who have keys for slot machines or who accept and transport revenue from the slot drop;

(k) Employees of operators of inter-casino linked systems, mobile gaming systems or interactive gaming systems whose duties include the operational or supervisory control of the systems or the games that are part of the systems;

(l) Employees of operators of call centers who perform, or who supervise the performance of, the function of receiving and transmitting wagering instructions;

(m) Employees who have access to the Board’s system of records for the purpose of processing the registrations of gaming employees that a licensee

is required to perform pursuant to the provisions of this chapter and any regulations adopted pursuant thereto;

- (n) Floorpersons;
- (o) Hosts or other persons empowered to extend credit or complimentary services;
- (p) Keno runners;
- (q) Keno writers;
- (r) Machine mechanics;
- (s) Odds makers and line setters;
- (t) Security personnel;
- (u) Shift or pit bosses;
- (v) Shills;
- (w) Supervisors or managers;
- (x) Ticket writers;
- (y) Employees of a person required by NRS 463.160 to be licensed to operate an information service; ~~and~~

(z) ***Employees of a licensee who have local access and provide management, support, security or disaster recovery services for any hardware or software that is regulated pursuant to the provisions of this chapter and any regulations adopted pursuant thereto; and***

(aa) Temporary or contract employees hired by a licensee to perform a function related to gaming.

2. "Gaming employee" does not include barbacks ~~or~~ bartenders ~~or~~ ***whose duties do not involve gaming activities***, cocktail servers or other persons engaged exclusively in preparing or serving food or beverages.

3. ***As used in this section, "local access" means access to hardware or software from within a licensed gaming establishment, hosting center or elsewhere within this State.***

Sec. 4. NRS 463.0161 is hereby amended to read as follows:

463.0161 1. "Gross revenue" means the total of all:

- (a) Cash received as winnings;
- (b) Cash received in payment for credit extended by a licensee to a patron for purposes of gaming; and
- (c) Compensation received for conducting any game , ***or any contest or tournament in conjunction with interactive gaming***, in which the licensee is not party to a wager,

➡ less the total of all cash paid out as losses to patrons, those amounts paid to fund periodic payments and any other items made deductible as losses by NRS 463.3715. For the purposes of this section, cash or the value of noncash prizes awarded to patrons in a contest or tournament are not losses, except that losses in a contest or tournament conducted in conjunction with an inter-casino linked system ~~for interactive gaming~~ may be deducted to the extent

of the compensation received for the right to participate in that contest or tournament.

2. The term does not include:

- (a) Counterfeit facsimiles of money, chips, tokens, wagering instruments or wagering credits;
- (b) Coins of other countries which are received in gaming devices;
- (c) Any portion of the face value of any chip, token or other representative of value won by a licensee from a patron for which the licensee can demonstrate that it or its affiliate has not received cash;
- (d) Cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not reimbursed;
- (e) Cash received as entry fees for contests or tournaments in which patrons compete for prizes, except for a contest or tournament conducted in conjunction with an inter-casino linked system ; ~~for interactive gaming;~~
- (f) Uncollected baccarat commissions; or
- (g) Cash provided by the licensee to a patron and subsequently won by the licensee, for which the licensee can demonstrate that it or its affiliate has not been reimbursed.

3. As used in this section, “baccarat commission” means:

- (a) A fee assessed by a licensee on cash paid out as a loss to a patron at baccarat to modify the odds of the game; or
- (b) A rate or fee charged by a licensee for the right to participate in a baccarat game.

Sec. 5. NRS 463.01963 is hereby amended to read as follows:

463.01963 “Wagering credit” means a representative of value, other than a chip, token or wagering instrument, that is used for wagering at a game , ~~for~~ gaming device , **race book or sports pool** and is obtained by the payment of cash or a cash equivalent, the use of a wagering instrument or the electronic transfer of money.

Sec. 6. NRS 463.159 is hereby amended to read as follows:

463.159 1. The Commission shall by regulation require audits of the financial statements of all nonrestricted licensees whose annual gross revenue is \$5,000,000 or more.

2. The Commission may require audits, compiled statements or reviews of the financial statements of nonrestricted licensees whose annual gross revenue is less than \$5,000,000.

3. The amounts of annual gross revenue provided for in subsections 1 and 2 must be increased or decreased annually in an amount corresponding to the percentage of increase or decrease in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding year. On or before December 15 of each year, the ~~Commission~~ **Board** shall determine the amount of the increase or decrease required by this subsection

and establish the adjusted amounts of annual gross revenue in effect for the succeeding calendar year. The audits, compilations and reviews provided for in subsections 1 and 2 must be made by independent accountants holding permits to practice public accounting in the State of Nevada.

4. Except as otherwise provided in subsection 5, for every audit required pursuant to this section:

(a) The independent accountants shall submit an audit report which must express an unqualified or qualified opinion or, if appropriate, disclaim an opinion on the statements taken as a whole in accordance with standards for the accounting profession established by rules and regulations of the Nevada State Board of Accountancy, but the preparation of statements without audit does not constitute compliance.

(b) The examination and audit must disclose whether the accounts, records and control procedures maintained by the licensee are as required by the regulations published by the Commission pursuant to NRS 463.156 to 463.1592, inclusive.

5. If the license of a nonrestricted licensee is terminated within 3 months after the end of a period covered by an audit, the licensee may submit compiled statements in lieu of an additional audited statement for the licensee's final period of business.

Sec. 7. NRS 463.569 is hereby amended to read as follows:

463.569 1. Every general partner of, and every limited partner with more than a 5 percent ownership interest in, a limited partnership which holds a state gaming license must be licensed individually, according to the provisions of this chapter, and if, in the judgment of the Commission, the public interest will be served by requiring any other limited partners or any or all of the limited partnership's lenders, holders of evidence of indebtedness, underwriters, key executives, agents or employees to be licensed, the limited partnership shall require those persons to apply for a license in accordance with the laws and requirements in effect at the time the Commission requires the licensing. Publicly traded corporations which are limited partners of limited partnerships are not required to be licensed, but shall comply with NRS 463.635 to 463.645, inclusive. A person who is required to be licensed by this section as a general or limited partner shall not receive that position until the person secures the required approval of the Commission. A person who is required to be licensed pursuant to a decision of the Commission shall apply for a license within 30 days after the Commission requests the person to do so.

2. All limited partners ~~holding~~ **seeking to hold** a 5 percent or less ownership interest in a limited partnership, other than a publicly traded limited partnership, which hold or apply for a state gaming license, must register in that capacity with the Board and submit to the Board's

jurisdiction. Such registration must be made on forms prescribed by the Chair of the Board. The Chair of the Board may require a registrant to apply for licensure at any time in the Chair's discretion. ~~[A person who is required to be registered by this section shall apply for registration within 30 days after the person becomes a limited partner holding a 5 percent or less ownership interest in a limited partnership.]~~

3. The Commission may, with the advice and assistance of the Board, adopt such regulations as it deems necessary to carry out the provisions of subsection 2.

Sec. 8. NRS 463.5735 is hereby amended to read as follows:

463.5735 1. Every member and transferee of a member's interest with more than a 5 percent ownership interest in a limited-liability company, and every director and manager of a limited-liability company which holds or applies for a state gaming license, must be licensed individually according to the provisions of this chapter.

2. All members ~~[holding]~~ **seeking to hold** a 5 percent or less ownership interest in a limited-liability company, other than a publicly traded limited-liability company, which hold or apply for a state gaming license, must register in that capacity with the Board and submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Chair of the Board. The Chair of the Board may require a registrant to apply for licensure at any time in the Chair's discretion. ~~[A person who is required to be registered by this section shall apply for registration within 30 days after the person becomes a member holding a 5 percent or less ownership interest in a limited liability company.]~~

3. If, in the judgment of the Commission, the public interest will be served by requiring any members with a 5 percent or less ownership interest in a limited-liability company, or any of the limited-liability company's lenders, holders of evidence of indebtedness, underwriters, key executives, agents or employees to be licensed:

(a) The limited-liability company shall require those persons to apply for a license in accordance with the laws and requirements in effect at the time the Commission requires the licensing; and

(b) Those persons shall apply for a license within 30 days after being requested to do so by the Commission.

4. A publicly traded corporation which is a member of a limited-liability company is not required to be licensed, but shall comply with NRS 463.635 to 463.645, inclusive.

5. No person may become a member or a transferee of a member's interest in a limited-liability company which holds a license until the person secures the required approval of the Commission.

6. A director or manager of a limited-liability company shall apply for a license within 30 days after assuming office.

7. The Commission may, with the advice and assistance of the Board, adopt such regulations as it deems necessary to carry out the provisions of subsection 2.

Sec. 9. NRS 463.670 is hereby amended to read as follows:

463.670 1. The Legislature finds and declares as facts:

(a) That the inspection of **games**, gaming devices, associated equipment, cashless wagering systems, **inter-casino linked systems**, mobile gaming systems and interactive gaming systems is essential to carry out the provisions of this chapter.

(b) That the inspection of **games**, gaming devices, associated equipment, cashless wagering systems, **inter-casino linked systems**, mobile gaming systems and interactive gaming systems is greatly facilitated by the opportunity to inspect components before assembly and to examine the methods of manufacture.

(c) That the interest of this State in the inspection of **games**, gaming devices, associated equipment, cashless wagering systems, **inter-casino linked systems**, mobile gaming systems and interactive gaming systems must be balanced with the interest of this State in maintaining a competitive gaming industry in which games can be efficiently and expeditiously brought to the market.

2. The Commission may, with the advice and assistance of the Board, adopt and implement procedures that preserve and enhance the necessary balance between the regulatory and economic interests of this State which are critical to the vitality of the gaming industry of this State.

3. The Board may inspect every **game or** gaming device which is manufactured, sold or distributed:

(a) For use in this State, before the **game or** gaming device is put into play.

(b) In this State for use outside this State, before the gaming device is shipped out of this State.

4. The Board may inspect every **game or** gaming device which is offered for play within this State by a state gaming licensee.

5. The Board may inspect all associated equipment, every cashless wagering system, **every inter-casino linked system**, every mobile gaming system and every interactive gaming system which is manufactured, sold or distributed for use in this State before the equipment or system is installed or used by a state gaming licensee and at any time while the state gaming licensee is using the equipment or system.

6. In addition to all other fees and charges imposed by this chapter, the Board may determine, charge and collect an inspection fee from each

manufacturer, seller, distributor or independent testing laboratory which must not exceed the actual cost of inspection and investigation.

7. The Commission shall adopt regulations which:

(a) Provide for the registration of independent testing laboratories ~~and~~ **and of each person that owns, operates or has significant involvement with an independent testing laboratory**, specify the form of the application required for such registration, **set forth the qualifications required for such registration** and establish the fees required for the application, the investigation of the applicant and the registration of the applicant.

(b) Authorize the Board to utilize independent testing laboratories for the inspection and certification of any **game**, gaming device, associated equipment, cashless wagering system, **inter-casino linked system**, mobile gaming system or interactive gaming system, or any components thereof.

(c) Establish uniform protocols and procedures which the Board and independent testing laboratories must follow during an inspection performed pursuant to subsection 3 or 5, and which independent testing laboratories must follow during the certification of any **game**, gaming device, associated equipment, cashless wagering system, **inter-casino linked system**, mobile gaming system or interactive gaming system, or any components thereof, for use in this State or for shipment from this State.

(d) Allow an application for the registration of an independent testing laboratory to be granted upon the independent testing laboratory's completion of an inspection performed in compliance with the uniform protocols and procedures established pursuant to paragraph (c) and satisfaction of such other requirements that the Board may establish.

(e) Provide the standards and procedures for the revocation of the registration of an independent testing laboratory.

(f) Provide the standards and procedures relating to the filing of an application for a finding of suitability pursuant to this section and the remedies should a person be found unsuitable.

(g) Provide any additional provisions which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129.

8. **The Commission shall retain jurisdiction over any person registered pursuant to this section, and any regulations adopted pursuant thereto, in all matters relating to a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, even if the person ceases to be registered.**

9. **A person registered pursuant to this section is subject to the investigatory and disciplinary proceedings that are set forth in**

NRS 463.310 to 463.318, inclusive, and shall be punished as provided in those sections.

10. The Commission may, upon recommendation of the Board, require the following persons to file an application for a finding of suitability:

(a) A registered independent testing laboratory.

(b) An employee of a registered independent testing laboratory.

(c) An officer, director, partner, principal, manager, member, trustee or direct or beneficial owner of a registered independent testing laboratory or any person that owns or has significant involvement with the activities of a registered independent testing laboratory.

11. If a person fails to submit an application for a finding of suitability within 30 days after a demand by the Commission pursuant to this section, the Commission may make a finding of unsuitability. Upon written request, such period may be extended by the Chair of the Commission, at the Chair's sole and absolute discretion.

*12. As used in this section, unless the context otherwise requires, "independent testing laboratory" means a private laboratory that is registered by the ~~Commission~~ Board to inspect and certify **games**, gaming devices, associated equipment, cashless wagering systems, **inter-casino linked systems**, mobile gaming systems ~~and~~ or interactive gaming systems, and any components thereof ~~and~~ **and modifications thereto**, and to perform such other services as the Board and Commission may request.*

Sec. 10. NRS 465.094 is hereby amended to read as follows:

465.094 The provisions of NRS 465.092 and 465.093 do not apply to a wager placed by a person for the person's own benefit or, without compensation, for the benefit of another that is accepted or received by, placed with, or sent, transmitted or relayed to:

1. A race book or sports pool that is licensed pursuant to chapter 463 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering;

2. A person who is licensed to engage in off-track pari-mutuel wagering pursuant to chapter 464 of NRS, if the wager is accepted or received within this State and otherwise complies with subsection 3 of NRS 464.020 and all other applicable laws and regulations concerning wagering;

3. A person who is licensed to operate a mobile gaming system pursuant to chapter 463 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering;

4. Any other person or establishment that is licensed to engage in wagering pursuant to title 41 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering; or

5. Any other person or establishment that is licensed to engage in wagering in another ~~state~~ **jurisdiction** and is permitted to accept or receive a wager from patrons within this State under an agreement entered into by the Governor pursuant to section 6 of Assembly Bill No. 114 of this session.

Sec. 11. NRS 233B.039 is hereby amended to read as follows:

233B.039 1. The following agencies are entirely exempted from the requirements of this chapter:

- (a) The Governor.
 - (b) Except as otherwise provided in NRS 209.221, the Department of Corrections.
 - (c) The Nevada System of Higher Education.
 - (d) The Office of the Military.
 - (e) The State Gaming Control Board.
 - (f) Except as otherwise provided in NRS 368A.140 and 463.765 , ~~and section 6 of this act,~~ the Nevada Gaming Commission.
 - (g) The Division of Welfare and Supportive Services of the Department of Health and Human Services.
 - (h) Except as otherwise provided in NRS 422.390, the Division of Health Care Financing and Policy of the Department of Health and Human Services.
 - (i) The State Board of Examiners acting pursuant to chapter 217 of NRS.
 - (j) Except as otherwise provided in NRS 533.365, the Office of the State Engineer.
 - (k) The Division of Industrial Relations of the Department of Business and Industry acting to enforce the provisions of NRS 618.375.
 - (l) The Administrator of the Division of Industrial Relations of the Department of Business and Industry in establishing and adjusting the schedule of fees and charges for accident benefits pursuant to subsection 2 of NRS 616C.260.
 - (m) The Board to Review Claims in adopting resolutions to carry out its duties pursuant to NRS 590.830.
 - (n) The Silver State Health Insurance Exchange.
2. Except as otherwise provided in subsection 5 and NRS 391.323, the Department of Education, the Board of the Public Employees' Benefits Program and the Commission on Professional Standards in Education are subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.
3. The special provisions of:
- (a) Chapter 612 of NRS for the distribution of regulations by and the judicial review of decisions of the Employment Security Division of the Department of Employment, Training and Rehabilitation;
 - (b) Chapters 616A to 617, inclusive, of NRS for the determination of contested claims;

(c) Chapter 91 of NRS for the judicial review of decisions of the Administrator of the Securities Division of the Office of the Secretary of State; and

(d) NRS 90.800 for the use of summary orders in contested cases,
 ➤ prevail over the general provisions of this chapter.

4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do not apply to the Department of Health and Human Services in the adjudication of contested cases involving the issuance of letters of approval for health facilities and agencies.

5. The provisions of this chapter do not apply to:

(a) Any order for immediate action, including, but not limited to, quarantine and the treatment or cleansing of infected or infested animals, objects or premises, made under the authority of the State Board of Agriculture, the State Board of Health, or any other agency of this State in the discharge of a responsibility for the preservation of human or animal health or for insect or pest control;

(b) An extraordinary regulation of the State Board of Pharmacy adopted pursuant to NRS 453.2184;

(c) A regulation adopted by the State Board of Education pursuant to NRS 392.644 or 394.1694; or

(d) The judicial review of decisions of the Public Utilities Commission of Nevada.

6. The State Board of Parole Commissioners is subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.

Sec. 12. Section 6 of Assembly Bill No. 114 of this session is hereby amended to read as follows:

Sec. 6. 1. ~~{The}~~ ***Upon recommendation of the*** Commission , ~~{shall, by regulation, authorize}~~ the Governor, on behalf of the State of Nevada, ***is authorized*** to:

(a) Enter into agreements , ***in accordance with the requirements of this section,*** with other ~~{states, or authorized agencies thereof, to enable patrons}~~ ***governments whereby persons who are physically located*** in ~~{the}~~ ***a*** signatory ~~{states to}~~ ***jurisdiction may*** participate in interactive gaming ~~{offered by licensees in those}~~ ***conducted by one or more operators licensed by one or more of the*** signatory ~~{states;}~~ ***governments;*** and

(b) Take all necessary actions to ensure that any agreement entered into pursuant to this section becomes effective.

2. ~~{Any regulations adopted pursuant to subsection 1 must:~~

~~—(a) Set forth provisions for any potential arrangements to share revenue between this State and any other state or agency within another state.~~

~~—(b) Be adopted in accordance with the provisions of chapter 233B of NRS.~~ **The Commission may:**

(a) Make recommendations to the Governor to enter into agreements pursuant to this section.

(b) Upon the recommendation of the Board, adopt regulations relating to agreements pursuant to this section.

3. The regulations adopted by the Commission pursuant to this section may include, without limitation, provisions prescribing:

(a) The form, length and terms of an agreement entered into by this State and another government, including, without limitation, provisions relating to how:

(1) Taxes are to be treated by this State and another government;

(2) Revenues are to be shared and distributed; and

(3) Disputes with patrons are to be resolved.

(b) The information to be furnished to the Board and the Commission by a government that proposes to enter into an agreement with this State pursuant to this section.

(c) The information to be furnished by the Board to the Commission to enable the Commission to carry out the purposes of this section.

(d) The manner and procedure for hearings conducted by the Board and Commission pursuant to this section, including, without limitation, the need for any special rules or notices.

(e) The information to be furnished by the Commission to the Governor that supports the recommendations of the Commission made pursuant to this section.

(f) Any other procedures to be followed by the Board or Commission to carry out the purposes of this section.

4. The Governor may not enter into an agreement pursuant to this section unless the agreement includes provisions:

(a) For any potential arrangement for the sharing of revenues by this State and a government.

(b) That permit the effective regulation of interactive gaming by this State, including, without limitation, provisions relating to licensing of entities and natural persons, technical standards to be followed, resolution of disputes by patrons, requirements for bankrolls, enforcement, accounting and maintenance of records.

(c) That each government that is a signatory to the agreement agrees to prohibit operators of interactive gaming, service providers and manufacturers or distributors of interactive gaming systems from

engaging in any activity permitted by the agreement unless such operators of interactive gaming, service providers or manufacturers or distributors of interactive gaming systems are licensed or found suitable:

(1) In this State; or

(2) In the signatory jurisdiction pursuant to requirements that are materially consistent with the corresponding requirements of this State.

(d) That no variation or derogation from the requirements of the agreement is permitted for any signatory government absent the consent of this State and all signatory governments.

(e) That prohibit any subordinate or side agreements, except with respect to sharing of revenues, among any subset of governments that are signatories to the agreement.

(f) That, if the agreement allows persons physically located in this State to participate in interactive gaming conducted by another government or an operator of interactive gaming licensed by another government, require that government to establish and maintain regulatory requirements governing interactive gaming that are materially consistent with the requirements of this State in all material respects.

5. As used in this section:

(a) "Government" means any governmental unit of a national, state or local body exercising governmental functions, other than the United States Government. The term includes, without limitation, national and subnational governments, including their respective departments, agencies and instrumentalities and any department, agency or authority of any such governmental unit that has authority over gaming or gambling activities.

(b) "Jurisdiction" means the country, state or other geographic area over which a government exercises legal authority.

Sec. 13. Section 7 of Senate Bill No. 416 of this session is hereby amended to read as follows:

Sec. 7. 1. Except as otherwise provided in this section, the amendatory provisions of section 3 of this act apply to the issuance of a restricted license on or after January 1, 2014.

2. Except as otherwise provided in subsection 3, an establishment that has been granted a restricted license by the Nevada Gaming Commission before January 1, 2014, but which is not in compliance with the provisions of paragraph (b) of subsection 2 of NRS 463.161, as amended by section 3 of this act, must come into compliance with those provisions upon the earlier of:

(a) A change of ownership of the business or the transfer of 50 percent or more of the stock or other ownership interest in the entity owning the business; or

(b) July 1, 2015.

3. An establishment which was granted a gaming license before December 22, 1990, and which has been operating at the same location since that date is not required to comply with the provisions of paragraph (b) of subsection 2 of NRS 463.161, as amended by section 3 of this act.

4. An establishment that has been granted a restricted license by the Commission before January 1, 2014, but which is not in compliance with the provisions of paragraph (a) or (c) of subsection 2 of NRS 463.161, as amended by section 3 of this act, is not required to come into compliance with those provisions unless the establishment ceases gaming operations for 18 or more consecutive months.

5. The Commission shall not renew the restricted license of an establishment that does not come into compliance with the amendatory provisions of section 3 of this act within the time required by this section.

6. This act applies to all race books, sports pools and associated equipment in existence on July 1, 2013.

Sec. 14. Section 8 of Senate Bill No. 416 of this session is hereby amended to read as follows:

Sec. 8. 1. This section and sections 1, 2, 4 and 7 of this act become effective on July 1, 2013.

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

Sec. 14.5. Section 3 of Senate Bill No. 9 of this session is hereby repealed.

Sec. 15. 1. The Legislative Commission shall create a committee to conduct an interim study concerning the impact of technology upon the regulation of gaming and upon the distinction between restricted and nonrestricted gaming licensees.

2. The committee created by the Legislative Commission to conduct the study must be composed of six voting members and seven nonvoting members, appointed and designated as follows:

(a) The Legislative Commission shall appoint three voting members of the Senate, at least one of whom must be a member of the minority political party.

(b) The Legislative Commission shall appoint three voting members of the Assembly, at least one of whom must be a member of the minority political party.

(c) The Legislative Commission shall appoint five nonvoting members, with one member representing each of the following:

- (1) Manufacturers or developers of gaming technology;
- (2) Entities engaged in the business of interactive gaming;
- (3) Restricted gaming licensees;
- (4) Nonrestricted gaming licensees; and
- (5) Operators of race books and sports pools.

(d) The Chair of the Nevada Gaming Commission and the Chair of the State Gaming Control Board serve *ex officio* as nonvoting members of the committee.

3. The Legislative Commission shall appoint a Chair from among the voting members of the committee.

4. The committee shall study, without limitation:

(a) The impact of modern and evolving technology upon gaming and the regulation of gaming;

(b) Interactive gaming in Nevada and other jurisdictions, and any proposed or enacted federal legislation in this area;

(c) The regulatory distinction between restricted and nonrestricted licensure, and the impact of technology upon this distinction;

(d) The determination of whether the operation of slot machines is incidental to the primary business of a restricted gaming licensee, and minimum requirements that are or should be imposed upon such businesses;

(e) The effect of expanding capability of personal and portable electronic devices upon gaming and the regulation of gaming;

(f) The potential effects and consequences of authorizing the acceptance of race book and sports pool wagers made by an entity; and

(g) The effect of legislation approved by the 77th Session of the Nevada Legislature with regard to gaming and the regulation of gaming.

5. The Legislative Commission shall submit a report of the findings of the committee, including, without limitation, any recommendations for legislation, to the 78th Session of the Nevada Legislature.

6. For each day or portion of a day during which a member of the committee who is a Legislator attends a meeting of the committee or is otherwise engaged in the business of the committee, the Legislator is entitled to receive the:

(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session;

(b) Per diem allowance provided for state officers generally; and

(c) Travel expenses provided pursuant to NRS 218A.655.

➡ The compensation, per diem allowances and travel expenses of the members of the committee who are Legislators must be paid from the Legislative Fund.

Sec. 16. 1. This section and section 14.5 of this act ~~becomes~~ **become effective on June 1, 2013.**

2. Sections 1 to 14, inclusive, and 15 of this act become effective upon passage and approval.

TEXT OF REPEALED SECTION

Section 3 of Senate Bill No. 9 of this Session:

Sec. 3. NRS 463.0161 is hereby amended to read as follows:

463.0161 1. “Gross revenue” means the total of all:

- (a) Cash received as winnings;
- (b) Cash received in payment for credit extended by a licensee to a patron for purposes of gaming; and
- (c) Compensation received for conducting any game , **or any contest or tournament in conjunction with interactive gaming**, in which the licensee is not party to a wager,
↳ less the total of all cash paid out as losses to patrons, those amounts paid to fund periodic payments and any other items made deductible as losses by NRS 463.3715. For the purposes of this section, cash or the value of noncash prizes awarded to patrons in a contest or tournament are not losses, except that losses in a contest or tournament conducted in conjunction with an inter-casino linked system **or interactive gaming** may be deducted to the extent of the compensation received for the right to participate in that contest or tournament.

2. The term does not include:

- (a) Counterfeit facsimiles of money, chips, tokens, wagering instruments or wagering credits;
- (b) Coins of other countries which are received in gaming devices;
- (c) Any portion of the face value of any chip, token or other representative of value won by a licensee from a patron for which the licensee can demonstrate that it or its affiliate has not received cash;
- (d) Cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not reimbursed;
- (e) Cash received as entry fees for contests or tournaments in which patrons compete for prizes, except for a contest or tournament conducted in conjunction with an inter-casino linked system ~~and~~ **or interactive gaming;**
- (f) Uncollected baccarat commissions; or
- (g) Cash provided by the licensee to a patron and subsequently won by the licensee, for which the licensee can demonstrate that it or its affiliate has not been reimbursed.

3. As used in this section, “baccarat commission” means:

(a) A fee assessed by a licensee on cash paid out as a loss to a patron at baccarat to modify the odds of the game; or

(b) A rate or fee charged by a licensee for the right to participate in a baccarat game.

Assemblyman Horne moved the adoption of the amendment.

Remarks by Assemblyman Horne.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Elliot Anderson moved that Senate Bill No. 407 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 407.

Bill read third time.

The following amendment was proposed by Assemblyman Elliot Anderson:

Amendment No. 948.

AN ACT relating to education; revising provisions governing the policies for the evaluation of teachers and school-based administrators; requiring the State Board of Education to prescribe the pupil achievement data to be used in the evaluation of teachers and school-based administrators; requiring the Teachers and Leaders Council of Nevada to make recommendations to the State Board concerning the evaluation of counselors, librarians and other licensed educational personnel; temporarily delaying the implementation of a program of performance pay and enhanced compensation for teachers and administrators by school districts; temporarily delaying the implementation of the statewide performance evaluation system and providing for a validation study of the system for teachers and school-based administrators and a validation study for counselors, librarians and other licensed educational personnel; authorizing a school district to submit an application to the Department of Education to opt out of the delay of the implementation of the statewide performance evaluation system for its teachers and school-based administrators; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the board of trustees of each school district to establish a program of performance pay and enhanced compensation for licensed teachers and administrators and requires each board to implement the program commencing with the 2014-2015 school year. (NRS 391.168)

Section 2 of this bill delays the implementation of the program to the 2015-2016 school year.

Existing law requires that, effective July 1, 2013, the policies for the evaluation of teachers and administrators must: (1) designate an employee's overall performance as "highly effective," "effective," "minimally effective" or "ineffective"; and (2) provide that certain information on pupil achievement data maintained by the automated system of accountability information for Nevada must account for at least 50 percent of the evaluation. (NRS 391.3125, 391.3127) **Sections 4, 5 and 10** of this bill change the source of the pupil achievement data, upon which 50 percent of the evaluation is based, to data prescribed by the State Board of Education. **Sections 4 and 5** also set forth an observation schedule for the evaluation of teachers and administrators based upon the evaluation designation of the employee in the immediately preceding school year. In addition, **sections 4 and 5** provide that pupil achievement data must not be used in the evaluation of a probationary teacher or probationary administrator in his or her initial year of employment, with the exception of a postprobationary teacher or administrator who is deemed to be a probationary employee. **Section 5** further provides that the policy for the evaluation of administrators applies only to those administrators who primarily provide administrative services at the school level and who do not primarily provide direct instructional services to pupils.

Under existing law, the Teachers and Leaders Council of Nevada is required to make recommendations to the State Board for the establishment of the statewide performance evaluation system for teachers and administrators. (NRS 391.450-391.465) **Section 9** of this bill requires the Council to also: (1) make recommendations to the State Board for the evaluation of school counselors, librarians and other licensed educational personnel; and (2) develop and recommend to the State Board a process for peer evaluations of teachers by qualified educational personnel. **Section 16** of this bill makes an appropriation to the Teachers and Leaders Council of Nevada for costs associated with the work of the Council.

Sections 16.3-22 of this bill address the period during which the new statewide performance evaluation system will be implemented. **Section 19** provides for a validation study of the statewide performance evaluation system for the 2013-2014 school year, with a representative sample of teachers and school-based administrators selected by the Department of Education in consultation with the participating school districts. **Sections 17-18.7** provide that for the 2013-2014 school year, all teachers and administrators who are employed by school districts that participate in the validation study and all counselors, librarians and other licensed educational personnel employed by each school district will be evaluated in accordance

with the system for evaluations pursuant to which employees are designated as “satisfactory” or “unsatisfactory.” **Section 16.5** authorizes a school district to submit an application to the Department of Education to opt out of the delay of the statewide performance evaluation system and implement the system for its teachers and administrators commencing with the 2013-2014 school year. **Section 16.5** further provides that if such an application is approved by the Department, the school district ~~(must not)~~ **is not required to** participate in the validation study for its teachers and school-based administrators. ~~It~~ **but may, upon approval of the Department, participate in a portion of the validation study.** **Section 16.3** authorizes the Department of Education to request a work program revision to transfer, in the second year of the biennium, money that is in the Reserve Category to the Regional Professional Development Category for use by the regional training programs for the professional development of teachers and administrators to implement the statewide performance evaluation system. **Section 16.3** also requires the Department of Education, on or before August 1, 2014, to submit a report of the results of the validation study and the Department’s determination of whether all school districts are prepared to implement the statewide performance evaluation system for the 2014-2015 school year. **Section 16.3** further requires the Interim Finance Committee to make a determination whether all school districts are prepared to implement the statewide performance evaluation system for the 2014-2015 school year. If the Interim Finance Committee determines that all school districts are prepared: (1) all school districts that participated in the validation study shall implement the statewide performance evaluation system for its teachers and school-based administrators commencing with the 2014-2015 school year; and (2) the Department of Education may request a work program revision to transfer not more than \$1,315,000 for use by the regional training programs. If the Interim Finance Committee determines that all school districts are not prepared: (1) a second validation study of the statewide performance evaluation system for teachers and school-based administrators must be conducted for the 2014-2015 school year; and (2) the Department of Education may request a work program revision to transfer not more than \$986,250 for use by the regional training programs. **Section 16.7** authorizes a school district that participated in the validation study for the 2013-2014 school year to submit an application to the Department of Education to opt out of the delay of the statewide performance evaluation system and implement the system for its teachers and school-based administrators commencing with the 2014-2015 school year. For the 2014-2015 school year, the Department of Education, in consultation with the 17 school districts, is required to select a representative sample of counselors, librarians and other licensed educational personnel, except for teachers and administrators, to

undergo evaluations under the new statewide performance evaluation system in addition to being evaluated under the “satisfactory” or “unsatisfactory” system. Commencing with the 2015-2016 school year, all counselors, librarians and other licensed educational personnel are required to be evaluated pursuant to the new statewide performance evaluation system. **Sections 19 and 21** prohibit the basing of any decisions regarding an employee’s suspension, demotion, dismissal or refusal to reemploy upon the evaluations conducted as part of either validation study.

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

Section 1. NRS 386.650 is hereby amended to read as follows:

386.650 1. The Department shall establish and maintain an automated system of accountability information for Nevada. The system must:

(a) Have the capacity to provide and report information, including, without limitation, the results of the achievement of pupils:

(1) In the manner required by 20 U.S.C. §§ 6301 et seq., and the regulations adopted pursuant thereto, and NRS 385.3469 and 385.347; and

(2) In a separate reporting for each group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361;

(b) Include a system of unique identification for each pupil:

(1) To ensure that individual pupils may be tracked over time throughout this State; and

(2) That, to the extent practicable, may be used for purposes of identifying a pupil for both the public schools and the Nevada System of Higher Education, if that pupil enrolls in the System after graduation from high school;

(c) Have the capacity to provide longitudinal comparisons of the academic achievement, rate of attendance and rate of graduation of pupils over time throughout this State;

(d) Have the capacity to perform a variety of longitudinal analyses of the results of individual pupils on assessments, including, without limitation, the results of pupils by classroom and by school;

(e) Have the capacity to identify which teachers are assigned to individual pupils;

(f) Have the capacity to provide other information concerning schools and school districts that is not linked to individual pupils, including, without limitation, the designation of schools and school districts pursuant to NRS 385.3623 and 385.377, respectively, and an identification of which schools, if any, are persistently dangerous;

(g) Have the capacity to access financial accountability information for each public school, including, without limitation, each charter school, for each school district and for this State as a whole; and

(h) Be designed to improve the ability of the Department, the sponsors of charter schools, the school districts and the public schools in this State, including, without limitation, charter schools, to account for the pupils who are enrolled in the public schools, including, without limitation, charter schools.

➡ The information maintained pursuant to paragraphs (c), (d) and (e) must be used for the purpose of improving the achievement of pupils and improving classroom instruction. ~~{The information}~~ ***Except as otherwise provided in subsection 9 of NRS 391.3125 and subsection 8 of NRS 391.3127, information on pupil achievement data, as prescribed by the State Board pursuant to NRS 391.465,*** must account for at least 50 percent, but must not be used as the sole criterion, in evaluating the performance of or taking disciplinary action against an individual teacher or other employee.

2. The board of trustees of each school district shall:

(a) Adopt and maintain the program prescribed by the Superintendent of Public Instruction pursuant to subsection 3 for the collection, maintenance and transfer of data from the records of individual pupils to the automated system of information, including, without limitation, the development of plans for the educational technology which is necessary to adopt and maintain the program;

(b) Provide to the Department electronic data concerning pupils as required by the Superintendent of Public Instruction pursuant to subsection 3; and

(c) Ensure that an electronic record is maintained in accordance with subsection 3 of NRS 386.655.

3. The Superintendent of Public Instruction shall:

(a) Prescribe a uniform program throughout this State for the collection, maintenance and transfer of data that each school district must adopt, which must include standardized software;

(b) Prescribe the data to be collected and reported to the Department by each school district and each sponsor of a charter school pursuant to subsection 2 and by each university school for profoundly gifted pupils;

(c) Prescribe the format for the data;

(d) Prescribe the date by which each school district shall report the data to the Department;

(e) Prescribe the date by which each charter school shall report the data to the sponsor of the charter school;

(f) Prescribe the date by which each university school for profoundly gifted pupils shall report the data to the Department;

(g) Prescribe standardized codes for all data elements used within the automated system and all exchanges of data within the automated system, including, without limitation, data concerning:

- (1) Individual pupils;
- (2) Individual teachers;
- (3) Individual schools and school districts; and
- (4) Programs and financial information;

(h) Provide technical assistance to each school district to ensure that the data from each public school in the school district, including, without limitation, each charter school and university school for profoundly gifted pupils located within the school district, is compatible with the automated system of information and comparable to the data reported by other school districts; and

(i) Provide for the analysis and reporting of the data in the automated system of information.

4. The Department shall establish, to the extent authorized by the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, a mechanism by which persons or entities, including, without limitation, state officers who are members of the Executive or Legislative Branch, administrators of public schools and school districts, teachers and other educational personnel, and parents and guardians, will have different types of access to the accountability information contained within the automated system to the extent that such information is necessary for the performance of a duty or to the extent that such information may be made available to the general public without posing a threat to the confidentiality of an individual pupil.

5. The Department may, to the extent authorized by the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, enter into an agreement with the Nevada System of Higher Education to provide access to data contained within the automated system for research purposes.

Sec. 1.5. Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:

On or before August 1 of each year, the board of trustees of each school district shall submit a report to the State Board and the Teachers and Leaders Council of Nevada created by NRS 391.455 concerning the implementation and effectiveness of the process for peer evaluations of teachers set forth in the regulations adopted by the State Board pursuant to paragraph (f) of subsection 2 of NRS 391.465, including, without

limitation, any recommendations for revisions to the process of peer evaluations.

Sec. 2. NRS 391.168 is hereby amended to read as follows:

391.168 1. The board of trustees of each school district shall:

(a) Establish a program of performance pay and enhanced compensation for the recruitment and retention of licensed teachers and administrators which must be negotiated pursuant to chapter 288 of NRS; and

(b) Commencing with the ~~2014-2015~~ **2015-2016** school year, implement the program established pursuant to paragraph (a).

2. The program of performance pay and enhanced compensation established by a school district pursuant to subsection 1 must have as its primary focus the improvement in the academic achievement of pupils and must give appropriate consideration to implementation in at-risk schools. In addition, the program may include, without limitation, the following components:

(a) Career leadership advancement options to maximize the retention of teachers in the classroom and the retention of administrators;

(b) Professional development;

(c) Group incentives; and

(d) Multiple assessments of individual teachers and administrators, with primary emphasis on individual pupil improvement and growth in academic achievement, including, without limitation, portfolios of instruction, leadership and professional growth, and other appropriate measures of teacher and administrator performance which must be considered.

Sec. 3. NRS 391.3115 is hereby amended to read as follows:

391.3115 1. The demotion, suspension, dismissal and nonreemployment provisions of NRS 391.311 to 391.3197, inclusive, do not apply to:

(a) Substitute teachers; or

(b) Adult education teachers.

2. The admonition, demotion, suspension, dismissal and nonreemployment provisions of NRS 391.311 to 391.3194, inclusive, do not apply to:

(a) A probationary teacher. The policy for evaluations prescribed in NRS 391.3125 and 391.3128 applies to a probationary teacher.

(b) A new employee who is employed as a probationary administrator ~~to~~ **primarily to provide administrative services at the school level and not primarily to provide direct instructional services to pupils, regardless of whether licensed as a teacher or administrator, including, without limitation, a principal and vice principal.** The policy for evaluations prescribed in NRS 391.3127 and 391.3128 applies to **such** a probationary administrator.

3. The admonition, demotion and suspension provisions of NRS 391.311 to 391.3194, inclusive, do not apply to a postprobationary teacher who is employed as a probationary administrator ***primarily to provide administrative services at the school level and not primarily to provide direct instructional services to pupils, regardless of whether licensed as a teacher or administrator, including, without limitation, a principal and vice principal***, with respect to his or her employment in the administrative position. The policy for evaluations prescribed in NRS 391.3127 and 391.3128 applies to ***such*** a probationary administrator.

4. The provisions of NRS 391.311 to 391.3194, inclusive, do not apply to a teacher whose employment is suspended or terminated pursuant to subsection 3 of NRS 391.120 or NRS 391.3015 for failure to maintain a license in force.

5. A licensed employee who is employed in a position fully funded by a federal or private categorical grant or to replace another licensed employee during that employee's leave of absence is employed only for the duration of the grant or leave. Such a licensed employee and licensed employees who are employed on temporary contracts for 90 school days or less, or its equivalent in a school district operating under an alternative schedule authorized pursuant to NRS 388.090, to replace licensed employees whose employment has terminated after the beginning of the school year are entitled to credit for that time in fulfilling any period of probation and during that time the provisions of NRS 391.311 to 391.3197, inclusive, for demotion, suspension or dismissal apply to them.

Sec. 4. NRS 391.3125 is hereby amended to read as follows:

391.3125 1. It is the intent of the Legislature that a uniform system be developed for objective evaluation of teachers and other licensed personnel in each school district.

2. Each board, following consultation with and involvement of elected representatives of the teachers or their designees, shall develop a policy for objective evaluations in narrative form. The policy must comply with the statewide performance evaluation system established by the State Board pursuant to NRS 391.465. The policy must set forth a means according to which an employee's overall performance is determined to be highly effective, effective, minimally effective or ineffective. ***[The] Except as otherwise provided in subsection 9, the*** policy must require that ~~the information maintained pursuant to paragraphs (c), (d) and (e) of subsection 4 of NRS 386.650]~~ ***pupil achievement data, as prescribed by the State Board pursuant to NRS 391.465,*** account for at least 50 percent of the evaluation. The policy may include an evaluation by the teacher, pupils, administrators or other teachers or any combination thereof. In a similar manner, counselors, librarians and other licensed personnel must be

evaluated. ~~[on forms developed specifically for their respective specialties.]~~ A copy of the policy adopted by the board must be filed with the Department. The primary purpose of an evaluation is to provide a format for constructive assistance. Evaluations, while not the sole criterion, must be used in the dismissal process.

3. ~~[A conference and a written evaluation for a probationary employee must be concluded not later than:~~

~~—(a) December 1;~~

~~—(b) February 1; and~~

~~—(c) April 1,~~

~~↪ of each school year of the probationary period, except that a probationary employee assigned to a school that operates all year must be evaluated at least three times during each 12 months of employment on a schedule determined by the board. An administrator charged with the evaluation of a probationary teacher shall personally observe the performance of the teacher in the classroom for not less than a cumulative total of 60 minutes during each evaluation period, with at least one observation during that 60-minute evaluation period consisting of at least 45 consecutive minutes.~~

~~—4.— Except as otherwise provided in this subsection, each postprobationary teacher must be evaluated at least once each year.] **The person charged with the evaluation of a teacher pursuant to this section shall hold a conference with the teacher before and after each scheduled observation of the teacher during the school year.**~~

4. **A probationary teacher must be evaluated three times during each school year of his or her probationary employment. Each evaluation must include at least one scheduled observation of the teacher during the school year as follows:**

(a) The first scheduled observation must occur within 40 days after the first day of instruction of the school year;

(b) The second scheduled observation must occur after 40 days but within 80 days after the first day of instruction of the school year; and

(c) The third scheduled observation must occur after 80 days but within 120 days after the first day of instruction of the school year.

5. If a postprobationary teacher receives an evaluation designating his or her overall performance as minimally effective or ineffective, the postprobationary teacher must be evaluated three times in the immediately succeeding school year ~~[. An administrator charged with the evaluation of a postprobationary teacher shall personally observe the performance of the teacher in the classroom for not less than a cumulative total of 60 minutes during each evaluation period, with at least one observation during that 60-minute evaluation period consisting of at least 30 consecutive minutes.]~~ **in accordance with the observation schedule set forth in subsection 4.** If a

postprobationary teacher is evaluated three times in a school year and he or she receives an evaluation designating his or her overall performance as minimally effective or ineffective on the first or second evaluation, or both evaluations, the postprobationary teacher may request that the third evaluation be conducted by another administrator. If a postprobationary teacher requests that his or her third evaluation be conducted by another administrator, that administrator must be:

- (a) Employed by the school district or, if the school district has five or fewer administrators, employed by another school district in this State; and
- (b) Selected by the postprobationary teacher from a list of three candidates submitted by the superintendent.

~~{5-}~~ **6. If a postprobationary teacher receives an evaluation designating his or her overall performance as effective, the postprobationary teacher must be evaluated one time in the immediately succeeding school year. The evaluation must include at least two scheduled observations as follows:**

- (a) The first scheduled observation must occur within 80 days after the first day of instruction of the school year; and**
- (b) The second scheduled observation must occur after 80 days but within 120 days after the first day of instruction of the school year.**

7. If a postprobationary teacher receives an evaluation designating his or her overall performance as highly effective, the postprobationary teacher must be evaluated one time in the immediately succeeding school year. The evaluation must include at least one scheduled observation which must occur within 120 days after the first day of instruction of the school year.

8. The evaluation of a probationary teacher or a postprobationary teacher pursuant to this section must comply with the regulations of the State Board adopted pursuant to NRS 391.465, which must include, without limitation:

- ~~(a) An evaluation of the classroom management skills of the teacher;~~
- ~~—(b) A review of the lesson plans and the work log or grade book of pupils prepared by the teacher;~~
- ~~—(c) An evaluation of whether the curriculum taught by the teacher is aligned with the standards of content and performance established pursuant to NRS 389.520, as applicable for the grade level taught by the teacher;~~
- ~~—(d) An evaluation of whether the teacher is appropriately addressing the needs of the pupils in the classroom, including, without limitation, special educational needs, cultural and ethnic diversity, the needs of pupils enrolled in advanced courses of study and the needs of pupils who are limited English proficient;~~
- (e) instructional practice of the teacher in the classroom;**

(b) An evaluation of the professional responsibilities of the teacher to support learning and promote the effectiveness of the school community;

(c) Except as otherwise provided in subsection 9, an evaluation of the performance of pupils enrolled in the school;

(d) An evaluation of whether the teacher employs practices and strategies to involve and engage the parents and families of pupils in the classroom;

~~[(f) If necessary, recommendations]~~

(e) Recommendations for improvements in the performance of the teacher;

~~[(g)]~~ *(f) A description of the action that will be taken to assist the teacher in correcting any deficiencies reported in the evaluation;* ***the areas of instructional practice, professional responsibilities and the performance of pupils;*** and

~~[(h)]~~ *(g) A statement by the administrator who evaluated the teacher indicating the amount of time that the administrator personally observed the performance of the teacher in the classroom.*

~~[(6)]~~ **9. The evaluation of a probationary teacher in his or her initial year of employment as a probationary teacher must not include e an evaluation of the performance of pupils enrolled in the school. This subsection does not apply to a postprobationary employee who is deemed to be a probationary employee pursuant to NRS 391.3129.**

10. The teacher must receive a copy of each evaluation not later than 15 days after the evaluation. A copy of the evaluation and the teacher's response must be permanently attached to the teacher's personnel file. Upon the request of a teacher, a reasonable effort must be made to assist the teacher to ~~correct those deficiencies~~ **improve his or her performance based upon the recommendations** reported in the evaluation of the teacher . ~~for which the teacher requests assistance.~~

Sec. 5. NRS 391.3127 is hereby amended to read as follows:

391.3127 1. Each board, following consultation with and involvement of elected representatives of administrative personnel or their designated representatives, shall develop an objective policy for the objective evaluation of administrators in narrative form. ***The policy must provide for the evaluation of those administrators who provide primarily administrative services at the school level and who do not provide primarily direct instructional services to pupils, regardless of whether such an administrator is licensed as a teacher or administrator, including, without limitation, a principal and a vice principal.*** The policy must comply with the statewide performance evaluation system established by the State Board pursuant to NRS 391.465. The policy must set forth a means according to which an administrator's overall performance is determined to be highly effective, effective, minimally effective or ineffective. ~~[(The)]~~ ***Except as***

otherwise provided in subsection 8, the policy must require that the information maintained pursuant to paragraphs (c), (d) and (e) of subsection 1 of NRS 386.650 pupil achievement data, as prescribed by the State Board pursuant to NRS 391.465, account for at least 50 percent of the evaluation. The policy may include an evaluation by the administrator, superintendent, pupils or other administrators or any combination thereof. A copy of the policy adopted by the board must be filed with the Department and made available to the Commission.

*2. ~~Each administrator must be evaluated in writing at least once a year.~~
—3. The person charged with the evaluation of an administrator pursuant to this section shall hold a conference with the administrator before and after each scheduled observation of the administrator during the school year.*

3. A probationary administrator must be evaluated three times during each school year of his or her probationary employment. Each evaluation must include at least one scheduled observation of the probationary administrator during the school year as follows:

(a) The first scheduled observation must occur within 40 days after the first day of instruction of the school year;

(b) The second scheduled observation must occur after 40 days but within 80 days after the first day of instruction of the school year; and

(c) The third scheduled observation must occur after 80 days but within 120 days after the first day of instruction of the school year.

4. If a postprobationary administrator receives an evaluation designating his or her overall performance as minimally effective or ineffective, the postprobationary administrator must be evaluated three times in the immediately succeeding school year in accordance with the observation schedule set forth in subsection 3. If a postprobationary administrator is evaluated three times in a school year and he or she receives an evaluation designating his or her overall performance as minimally effective or ineffective on the first or second evaluation, or both evaluations, the postprobationary administrator may request that the third evaluation be conducted by another administrator. If a postprobationary administrator requests that his or her third evaluation be conducted by another administrator, that administrator must be:

(a) Employed by the school district or, if the school district has five or fewer administrators, employed by another school district in this State; and

(b) Selected by the postprobationary administrator from a list of three candidates submitted by the superintendent.

5. If a postprobationary administrator receives an evaluation designating his or her overall performance as effective, the postprobationary administrator must be evaluated one time in the

immediately succeeding school year. The evaluation must include at least two scheduled observations as follows:

(a) The first scheduled observation must occur within 80 days after the first day of instruction of the school year; and

(b) The second scheduled observation must occur after 80 days but within 120 days after the first day of instruction of the school year.

6. If a postprobationary administrator receives an evaluation designating his or her overall performance as highly effective, the postprobationary administrator must be evaluated one time in the immediately succeeding school year. The evaluation must include at least one scheduled observation which must occur within 120 days after the first day of instruction of the school year.

7. The evaluation of an administrator pursuant to this section must comply with the regulations of the State Board adopted pursuant to NRS 391.465, which must include, without limitation:

(a) An evaluation of the instructional leadership practices of the administrator at the school;

(b) An evaluation of the professional responsibilities of the administrator to support learning and promote the effectiveness of the school community;

(c) Except as otherwise provided in subsection 8, an evaluation of the performance of pupils enrolled in the school;

(d) An evaluation of whether the administrator employs practices and strategies to involve and engage the parents and families of pupils enrolled in the school;

(e) Recommendations for improvements in the performance of the administrator; and

(f) A description of the action that will be taken to assist the administrator in the areas of instructional leadership practice, professional responsibilities and the performance of pupils.

8. The evaluation of a probationary administrator in his or her initial year of probationary employment must not include an evaluation of the performance of pupils enrolled in the school. This subsection does not apply to a postprobationary employee who is deemed to be a probationary employee pursuant to NRS 391.3129.

9. Each probationary administrator is subject to the provisions of NRS 391.3128 and 391.3197.

~~{4.}~~ **10.** Before a superintendent transfers or assigns an administrator to another administrative position as part of an administrative reorganization, if the transfer or reassignment is to a position of lower rank, responsibility or pay, the superintendent shall give written notice of the proposed transfer or assignment to the administrator at least 30 days before the date on which it is

to be effective. The administrator may appeal the decision of the superintendent to the board by requesting a hearing in writing to the president of the board within 5 days after receiving the notice from the superintendent. The board shall hear the matter within 10 days after the president receives the request, and shall render its decision within 5 days after the hearing. The decision of the board is final.

Sec. 6. NRS 391.3128 is hereby amended to read as follows:

391.3128 1. If a written evaluation of a probationary teacher , or *a* probationary administrator ***who provides primarily administrative services at the school level and who does not provide primarily direct instructional services to pupils, regardless of whether the probationary administrator is licensed as a teacher or administrator, including, without limitation, a principal and vice principal,*** designates the overall performance of the teacher or administrator as “minimally effective” or “ineffective”:

(a) The written evaluation must include the following statement: “Please be advised that, pursuant to Nevada law, your contract may not be renewed for the next school year. If you receive a ‘minimally effective’ or ‘ineffective’ evaluation on the first or second evaluation, or both evaluations for this school year, ~~and if you have another evaluation remaining this school year,~~ you may request that the ***third*** evaluation be conducted by another administrator. You may also request, to the administrator who conducted the evaluation, reasonable assistance in ~~correcting the deficiencies~~ ***improving your performance based upon the recommendations*** reported in the evaluation for which you request assistance, and upon such request, a reasonable effort will be made to assist you in ~~correcting those deficiencies.”~~ ***improving your performance.”***

(b) The probationary teacher or probationary administrator, as applicable, must acknowledge in writing that he or she has received and understands the statement described in paragraph (a).

2. If a probationary teacher or probationary administrator ***to which subsection 1 applies*** requests that his or her next evaluation be conducted by another administrator in accordance with the notice required by subsection 1, the administrator conducting the evaluation must be:

(a) Employed by the school district or, if the school district has five or fewer administrators, employed by another school district in this State; and

(b) Selected by the probationary teacher or probationary administrator, as applicable, from a list of three candidates submitted by the superintendent.

3. If a probationary teacher or probationary administrator ***to which subsection 1 applies*** requests assistance in correcting deficiencies reported in his or her evaluation, the administrator who conducted the evaluation shall ensure that a reasonable effort is made to assist the probationary teacher or probationary administrator in correcting those deficiencies.

Sec. 7. (Deleted by amendment.)

Sec. 8. NRS 391.3197 is hereby amended to read as follows:

391.3197 1. A probationary employee is employed on a contract basis for three 1-year periods and has no right to employment after any of the three probationary contract years.

2. The board shall notify each probationary employee in writing on or before May 1 of the first, second and third school years of the employee's probationary period, as appropriate, whether the employee is to be reemployed for the second or third year of the probationary period or for the fourth school year as a postprobationary employee. Failure of the board to notify the probationary employee in writing on or before May 1 in the first or second year of the probationary period does not entitle the employee to postprobationary status. The employee must advise the board in writing on or before May 10 of the first, second or third year of the employee's probationary period, as appropriate, of the employee's acceptance of reemployment. If a probationary employee is assigned to a school that operates all year, the board shall notify the employee in writing, in the first, second and third years of the employee's probationary period, no later than 45 days before his or her last day of work for the year under his or her contract whether the employee is to be reemployed for the second or third year of the probationary period or for the fourth school year as a postprobationary employee. Failure of the board to notify a probationary employee in writing within the prescribed period in the first or second year of the probationary period does not entitle the employee to postprobationary status. The employee must advise the board in writing within 10 days after the date of notification of his or her acceptance or rejection of reemployment for another year. Failure to advise the board of the employee's acceptance of reemployment pursuant to this subsection constitutes rejection of the contract.

3. A probationary employee who:

- (a) Completes a 3-year probationary period;
 - (b) Receives a designation of "highly effective" or "effective" on each of his or her performance evaluations for 2 consecutive school years; and
 - (c) Receives a notice of reemployment from the school district in the third year of the employee's probationary period,
- is entitled to be a postprobationary employee in the ensuing year of employment.

4. If a probationary employee is notified that the employee will not be reemployed for the school year following the 3-year probationary period, his or her employment ends on the last day of the current school year. The notice that the employee will not be reemployed must include a statement of the reasons for that decision.

5. A new employee who is employed as an administrator ***to provide primarily administrative services at the school level and who does not provide primarily direct instructional services to pupils, regardless of whether the administrator is licensed as a teacher or administrator, including, without limitation, a principal and vice principal,*** or a postprobationary teacher who is employed as an administrator ***to provide those administrative services*** shall be deemed to be a probationary employee for the purposes of this section and must serve a 3-year probationary period as an administrator in accordance with the provisions of this section. If:

(a) A postprobationary teacher who is an administrator is not reemployed as an administrator after any year of his or her probationary period; and

(b) There is a position as a teacher available for the ensuing school year in the school district in which the person is employed,

➡ the board of trustees of the school district shall, on or before May 1, offer the person a contract as a teacher for the ensuing school year. The person may accept the contract in writing on or before May 10. If the person fails to accept the contract as a teacher, the person shall be deemed to have rejected the offer of a contract as a teacher.

6. An administrator who has completed his or her probationary period pursuant to subsection 5 and is thereafter promoted to the position of principal must serve an additional probationary period of 1 year in the position of principal. If an administrator is promoted to the position of principal before completion of his or her probationary period pursuant to subsection 5, the administrator must serve the remainder of his or her probationary period pursuant to subsection 5 or an additional probationary period of 1 year in the position of principal, whichever is longer. If the administrator serving the additional probationary period is not reemployed as a principal after the expiration of the probationary period or additional probationary period, as applicable, the board of trustees of the school district in which the person is employed shall, on or before May 1, offer the person a contract for the ensuing school year for the administrative position in which the person attained postprobationary status. The person may accept the contract in writing on or before May 10. If the person fails to accept such a contract, the person shall be deemed to have rejected the offer of employment.

7. If a probationary employee receives notice that he or she will be dismissed before the completion of the current school year, the probationary employee may request an expedited hearing pursuant to the Expedited Labor Arbitration Procedures established by the American Arbitration Association or its successor organization.

Sec. 8.5. NRS 391.450 is hereby amended to read as follows:

391.450 As used in NRS 391.450 to 391.465, inclusive, **and section 1.5 of this act**, “Council” means the Teachers and Leaders Council of Nevada created by NRS 391.455.

Sec. 9. NRS 391.460 is hereby amended to read as follows:

391.460 1. The Council shall:

(a) Make recommendations to the State Board concerning the adoption of regulations for establishing a statewide performance evaluation system to ensure that teachers , ~~and~~ administrators **who provide primarily administrative services at the school level and who do not provide primarily direct instructional services to pupils, regardless of whether licensed as a teacher or administrator, including, without limitation, a principal and vice principal, counselors, librarians and other licensed educational personnel** employed by school districts are:

(1) Evaluated using multiple, fair, timely, rigorous and valid methods, which includes evaluations based upon pupil achievement data as required by NRS ~~386.650 and~~ 391.465;

(2) Afforded a meaningful opportunity to improve their effectiveness through professional development that is linked to their evaluations; and

(3) Provided with the means to share effective educational methods with other teachers , ~~and~~ administrators , **counselors, librarians and other licensed educational personnel** throughout this State.

(b) Develop and recommend to the State Board a plan, including duties and associated costs, for the development and implementation of the performance evaluation system by the Department and school districts.

(c) Consider the role of professional standards for teachers , ~~and~~ administrators **to which paragraph (a) applies, counselors, librarians and other licensed educational personnel** and, as it determines appropriate, develop a plan for recommending the adoption of such standards by the State Board.

(d) Develop and recommend to the State Board a process for peer evaluations of teachers by qualified educational personnel which is designed to provide assistance to teachers in meeting the standards of effective teaching, and includes, without limitation, conducting observations, participating in conferences before and after observations of the teacher and providing information and resources to the teacher about strategies for effective teaching.

2. The performance evaluation system recommended by the Council must ensure that:

(a) Data derived from the evaluations is used to create professional development programs that enhance the effectiveness of teachers , ~~and~~

administrators ~~{ }~~, *counselors, librarians and other licensed educational personnel*; and

(b) A timeline is included for monitoring the performance evaluation system at least annually for quality, reliability, validity, fairness, consistency and objectivity.

3. The Council may establish such working groups, task forces and similar entities from within or outside its membership as necessary to address specific issues or otherwise to assist in its work.

4. The State Board shall consider the recommendations made by the Council pursuant to this section and shall adopt regulations establishing a statewide performance evaluation system as required by NRS 391.465.

Sec. 10. NRS 391.465 is hereby amended to read as follows:

391.465 1. The State Board shall, based upon the recommendations of the Teachers and Leaders Council of Nevada submitted pursuant to NRS 391.460, adopt regulations establishing a statewide performance evaluation system which incorporates multiple measures of an employee's performance.

2. The statewide performance evaluation system must:

(a) Require that an employee's overall performance is determined to be:

- (1) Highly effective;
- (2) Effective;
- (3) Minimally effective; or
- (4) Ineffective.

(b) Include the criteria for making each designation identified in paragraph (a).

(c) ~~{Require}~~ *Except as otherwise provided in subsection 9 of NRS 391.3125 and subsection 8 of NRS 391.3127, require* that ~~the information maintained pursuant to paragraphs (c), (d) and (e) of subsection 1 of NRS 386.650~~ *pupil achievement data* account for at least 50 percent of the evaluation.

(d) *Prescribe the pupil achievement data that must be used as part of the evaluation system pursuant to paragraph (c).*

(e) Include an evaluation of whether the teacher, or administrator *who provides primarily administrative services at the school level and who does not provide primarily direct instructional services to pupils, regardless of whether the probationary administrator is licensed as a teacher or administrator, including, without limitation, a principal and vice principal*, employs practices and strategies to involve and engage the parents and families of pupils.

(f) *Include a process for peer evaluations of teachers by qualified educational personnel which is designed to provide assistance to teachers in meeting the standards of effective teaching, and includes, without*

limitation, conducting observations, participating in conferences before and after observations of the teacher and providing information and resources to the teacher about strategies for effective teaching. The regulations must include the criteria for school districts to determine which educational personnel are qualified to conduct peer reviews pursuant to the process.

Sec. 11. Section 22 of chapter 379, Statutes of Nevada 2011, at page 2298, is hereby amended to read as follows:

Sec. 22. The board of trustees of each school district shall:

1. Commencing with the ~~{2013-2104}~~ **2013-2014** school year, implement and carry out the policies for evaluations of teachers and administrators required by NRS 391.3125, as amended by section 14 of this act, NRS 391.3127, as amended by section 16 of this act, NRS 391.3197, as amended by section 19.5 of this act, and section 20 of this act.

2. Commencing with the 2013-2014 school year, implement and carry out section 20.5 of this act . ~~{if, and only if, Assembly Bill No. 225 of this session is enacted by the Legislature and becomes effective.}~~

3. Commencing with the ~~{2014-2015}~~ **2015-2016** school year, implement and carry out the program of performance pay and enhanced compensation established by the board of trustees pursuant to section 8 of this act.

Sec. 12. Section 23 of chapter 379, Statutes of Nevada 2011, at page 2298, is hereby amended to read as follows:

Sec. 23. 1. This section and sections 1 to 7, inclusive, 9 to 13, inclusive, 15, 17, 18, 19, 19.6, 19.7, 19.8, 21 and 22 of this act become effective on July 1, 2011.

2. Sections 8, 14, 16, 19.5 ~~{and}~~ , 20 **and 20.5** of this act become effective on July 1, 2013.

~~{3. Section 20.5 of this act becomes effective on July 1, 2013, if, and only if, Assembly Bill No. 225 of this session is enacted by the Legislature and becomes effective.}~~

Sec. 13. Section 12 of chapter 487, Statutes of Nevada 2011, at page 3095, is hereby amended to read as follows:

Sec. 12. On or before ~~{June 1,}~~ **August 15**, 2013, the State Board of Education shall, based upon the recommendations of the Teachers and Leaders Council of Nevada submitted pursuant to section 6 of this act, adopt regulations establishing a statewide performance evaluation system for teachers and administrators that complies with section 7 of this act.

Sec. 14. (Deleted by amendment.)

Sec. 15. Section 21 of chapter 379, Statutes of Nevada 2011, at page 2298, is hereby repealed.

Sec. 16. 1. There is hereby appropriated from the Educational Trust Account in the State General Fund created by NRS 120A.610 to the Department of Education for the costs associated with the work of the Teachers and Leaders Council of Nevada created by NRS 391.455 required by the provisions of this act the following sums:

For the Fiscal Year 2013-2014..... \$50,000

For the Fiscal Year 2014-2015..... \$50,000

2. The sums appropriated by subsection 1 are available for either fiscal year. Any remaining balance of those sums must not be committed for expenditure after June 30, 2015, by the Department of Education or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2015, by either the Department of Education or the entity to which the money was subsequently granted or transferred, and must be reverted to the Educational Trust Account in the State General Fund on or before September 18, 2015.

Sec. 16.3. 1. On or before August 1, 2014, the Department of Education shall submit a report to the Interim Finance Committee which includes, without limitation:

(a) An assessment of the results of the validation study of the statewide performance evaluation system conducted pursuant to section 19 of this act;

(b) The effectiveness of each school district that participated in the validation study in implementing the statewide performance evaluation system; and

(c) The determination of the Department whether all school districts that participated in the validation study are prepared, commencing with the 2014-2015 school year, to implement the statewide performance evaluation system for all of its teachers and administrators.

2. On or before August 15, 2014, the Interim Finance Committee shall review the report submitted by the Department of Education pursuant to subsection 1 and make a determination whether all school districts that participated in the validation study are prepared to implement the statewide performance evaluation system for all of its teachers and administrators commencing with the 2014-2015 school year.

3. If the Interim Finance Committee determines that all school districts which participated in the validation study are prepared to implement, during the 2014-2015 school year, the statewide performance evaluation system:

(a) All school districts that participated in the validation study shall implement the statewide performance evaluation system adopted by the State

Board of Education pursuant to NRS 391.465, as amended by section 10 of this act, for its teachers and administrators commencing with the 2014-2015 school year and each school year thereafter.

(b) The Department of Education may request a work program revision pursuant to NRS 353.220 to transfer not more than \$1,315,000 from the Reserve Category to the Regional Professional Development Category in the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379 for use by the regional training programs for the professional development of teachers and administrators to implement the statewide performance evaluation system.

4. If the Interim Finance Committee determines that all school districts that participated in the validation study are not prepared to implement, during the 2014-2015 school year, the statewide performance evaluation system:

(a) Except as otherwise provided in section 16.7 of this act, all school districts that participated in the validation study shall comply with the policies for the evaluations of teachers and administrators prescribed by sections 17 and 18 of this act for the 2014-2015 school year and also participate in a second validation study of the statewide performance evaluation system for that school year pursuant to section 19 of this act.

(b) The Department of Education may request a work program revision pursuant to NRS 353.220 to transfer not more than \$986,250 from the Reserve Category to the Regional Professional Development Category in the Account for Programs for Innovation and the Prevention of Remediation created by NRS 385.379 for use by the regional training programs for the professional development of teachers and administrators to implement the statewide performance evaluation system.

5. On or before September 1, 2014, the Department of Education shall provide notice to the board of trustees of each school district concerning the determination made by the Interim Finance Committee pursuant to subsection 2.

6. As used in this section, "administrator" means an administrator employed by a school district who provides primarily administrative services at the school level and who does not provide primarily direct instructional services to pupils, regardless of whether licensed as a teacher or administrator, including, without limitation, a principal and vice principal.

Sec. 16.5. 1. The board of trustees of a school district that is prepared, commencing with the 2013-2014 school year, to implement the statewide performance evaluation system adopted by the State Board of Education pursuant to NRS 391.465, as amended by section 10 of this act, for its teachers and administrators and does not want to delay the implementation of the evaluation system may submit an application on a form prescribed by the Department of Education which includes information demonstrating that the

school district is prepared to implement the statewide performance evaluation system for all of its teachers and administrators and any other information requested by the Department.

2. Upon review of the application submitted pursuant to subsection 1, the Department of Education may approve the application if the Department determines that the school district is prepared to implement the statewide performance evaluation system commencing with the 2013-2014 school year and each school year thereafter.

3. A school district whose application is approved by the Department pursuant to subsection 2 ~~is not required to~~ **is not required to** participate in the validation study of the statewide performance evaluation system conducted pursuant to section 19 of this act during the 2013-2014 school year and, if applicable, the 2014-2015 school year. **Upon the request of such a school district, the Department may authorize the school district to participate in a portion of the validation study.**

4. As used in this section, “administrator” means an administrator employed by a school district who provides primarily administrative services at the school level and who does not provide primarily direct instructional services to pupils, regardless of whether licensed as a teacher or administrator, including, without limitation, a principal and vice principal.

Sec. 16.7. 1. If the Interim Finance Committee makes a determination pursuant to section 16.3 of this act that all school districts which participated in the validation study pursuant to section 19 of this act are not prepared to implement the statewide performance evaluation system adopted by the State Board of Education pursuant to NRS 391.465, as amended by section 10 of this act, the board of trustees of a school district that participated in the validation study and that is prepared, commencing with the 2014-2015 school year, to implement the statewide performance evaluation system for its teachers and administrators and does not want to delay the implementation of the evaluation system may submit an application on a form prescribed by the Department of Education which includes information demonstrating that the school district is prepared to implement the evaluation system for all of its teachers and administrators and any other information requested by the Department.

2. Upon review of the application submitted pursuant to subsection 1, the Department of Education may approve the application if the Department determines that the school district is prepared to implement the statewide performance evaluation system commencing with the 2014-2015 school year.

3. A school district whose application is approved by the Department pursuant to subsection 2 ~~is not required to~~ **is not required to** participate in the validation study of the statewide performance evaluation system conducted pursuant to section 19 of this act for the 2014-2015 school year. **Upon the**

request of such a school district, the Department may authorize the school district to participate in a portion of the validation study.

4. As used in this section, “administrator” means an administrator employed by a school district who provides primarily administrative services at the school level and who does not provide primarily direct instructional services to pupils, regardless of whether licensed as a teacher or administrator, including, without limitation, a principal and vice principal.

Sec. 17. 1. It is the intent of the Legislature that a uniform system be developed for objective evaluation of teachers and other licensed personnel in each school district. Except as otherwise provided in section 16.5 of this act, for the 2013-2014 school year, the board of trustees of each school district shall comply with the policy for the evaluation of teachers, counselors, librarians and other licensed educational personnel, except for administrators, as set forth in this section. For the 2014-2015 school year, the board of trustees of each school district shall comply with the policy for the evaluation of counselors, librarians and other licensed educational personnel, except for teachers and administrators, as set forth in this section.

2. Except as otherwise provided in sections 16.5 and 16.7 of this act, if the Interim Finance Committee makes a determination pursuant to section 16.3 of this act that all school districts which participated in the validation study of the statewide performance evaluation system pursuant to section 19 of this act are not prepared to implement the evaluation system, the board of trustees of each school district shall, for the 2014-2015 school year, comply with the policy for the evaluation of teachers as set forth in this section.

3. Each board of trustees, following consultation with and involvement of elected representatives of the teachers or their designees, shall develop a policy for objective evaluations in narrative form. The policy must set forth a means according to which an employee’s overall performance may be determined to be satisfactory or unsatisfactory. The policy must require that the information maintained pursuant to paragraphs (c), (d) and (e) of subsection 1 of NRS 386.650 account for a significant portion of the evaluation, as determined by the board of trustees. The policy may include an evaluation by the teacher, pupils, administrators or other teachers or any combination thereof. In a similar manner, counselors, librarians and other licensed personnel must be evaluated on forms developed specifically for their respective specialties. A copy of the policy adopted by the board of trustees must be filed with the Department of Education. The primary purpose of an evaluation is to provide a format for constructive assistance. Evaluations, while not the sole criterion, must be used in the dismissal process.

4. A conference and a written evaluation for a probationary employee must be concluded not later than:

- (a) December 1;
- (b) February 1; and
- (c) April 1,

➔ of each school year of the probationary period, except that a probationary employee assigned to a school that operates all year must be evaluated at least three times during each 12 months of employment on a schedule determined by the board of trustees. An administrator charged with the evaluation of a probationary teacher shall personally observe the performance of the teacher in the classroom for not less than a cumulative total of 60 minutes during each evaluation period, with at least one observation during that 60-minute evaluation period consisting of at least 45 consecutive minutes.

5. Except as otherwise provided in this subsection, each postprobationary teacher must be evaluated at least once each year. If a postprobationary teacher receives an unsatisfactory evaluation, the postprobationary teacher must be evaluated three times in the immediately succeeding school year. An administrator charged with the evaluation of a postprobationary teacher shall personally observe the performance of the teacher in the classroom for not less than a cumulative total of 60 minutes during each evaluation period, with at least one observation during that 60-minute evaluation period consisting of at least 30 consecutive minutes. If a postprobationary teacher is evaluated three times in a school year and he or she receives an unsatisfactory evaluation on the first or second evaluation, or both evaluations, the postprobationary teacher may request that the third evaluation be conducted by another administrator. If a postprobationary teacher requests that his or her third evaluation be conducted by another administrator, that administrator must be:

- (a) Employed by the school district or, if the school district has five or fewer administrators, employed by another school district in this State; and
- (b) Selected by the postprobationary teacher from a list of three candidates submitted by the superintendent.

6. The evaluation of a probationary teacher or a postprobationary teacher must include, without limitation:

- (a) An evaluation of the classroom management skills of the teacher;
- (b) A review of the lesson plans and the work log or grade book of pupils prepared by the teacher;
- (c) An evaluation of whether the curriculum taught by the teacher is aligned with the standards of content and performance established pursuant to NRS 389.520, as applicable for the grade level taught by the teacher;
- (d) An evaluation of whether the teacher is appropriately addressing the needs of the pupils in the classroom, including, without limitation, special educational needs, cultural and ethnic diversity, the needs of pupils enrolled

in advanced courses of study and the needs of pupils who are limited English proficient;

(e) If necessary, recommendations for improvements in the performance of the teacher;

(f) A description of the action that will be taken to assist the teacher in correcting any deficiencies reported in the evaluation; and

(g) A statement by the administrator who evaluated the teacher indicating the amount of time that the administrator personally observed the performance of the teacher in the classroom.

7. The teacher must receive a copy of each evaluation not later than 15 days after the evaluation. A copy of the evaluation and the teacher's response must be permanently attached to the teacher's personnel file. Upon the request of a teacher, a reasonable effort must be made to assist the teacher to correct those deficiencies reported in the evaluation of the teacher for which the teacher requests assistance.

Sec. 18. 1. Except as otherwise provided in section 16.5 of this act, for the 2013-2014 school year, the board of trustees of each school district shall comply with the policy for the evaluation of administrators as set forth in this section. Except as otherwise provided in sections 16.5 and 16.7 of this act, if the Interim Finance Committee makes a determination pursuant to section 16.3 of this act that all school districts which participated in the validation study of the statewide performance evaluation system pursuant to section 19 of this act are not prepared to implement the evaluation system, the board of trustees of each school district shall, for the 2014-2015 school year, comply with the policy for the evaluation of administrators as set forth in this section.

2. Each board of trustees, following consultation with and involvement of elected representatives of administrative personnel or their designated representatives, shall develop an objective policy for the objective evaluation of administrators in narrative form. The policy must set forth a means according to which an administrator's overall performance may be determined to be satisfactory or unsatisfactory. The policy must require that the information maintained pursuant to paragraphs (c), (d) and (e) of subsection 1 of NRS 386.650 account for a significant portion of the evaluation, as determined by the board of trustees. The policy may include an evaluation by the administrator, superintendent, pupils or other administrators or any combination thereof. A copy of the policy adopted by the board of trustees must be filed with the Department of Education and made available to the Commission on Professional Standards in Education.

3. Each administrator must be evaluated in writing at least once a year.

4. Each probationary administrator is subject to the provisions of NRS 391.3128 and 391.3197.

5. Before a superintendent of a school district transfers or assigns an administrator to another administrative position as part of an administrative reorganization, if the transfer or reassignment is to a position of lower rank, responsibility or pay, the superintendent shall give written notice of the proposed transfer or assignment to the administrator at least 30 days before the date on which it is to be effective. The administrator may appeal the decision of the superintendent to the board of trustees by requesting a hearing in writing to the president of the board within 5 days after receiving the notice from the superintendent. The board of trustees shall hear the matter within 10 days after the president receives the request, and shall render its decision within 5 days after the hearing. The decision of the board of trustees is final.

Sec. 18.5. 1. If a written evaluation of a probationary teacher or probationary administrator who is employed by a school district that conducts evaluations pursuant to sections 17 and 18 of this act for the 2013-2014 school year or the 2014-2015 school year, or both, designates the overall performance of the teacher or administrator as “unsatisfactory”:

(a) The written evaluation must include the following statement: “Please be advised that, pursuant to Nevada law, your contract may not be renewed for the next school year. If you receive an ‘unsatisfactory’ evaluation on the first or second evaluation, or both evaluations for this school year, and if you have another evaluation remaining this school year, you may request that the evaluation be conducted by another administrator. You may also request, to the administrator who conducted the evaluation, reasonable assistance in correcting the deficiencies reported in the evaluation for which you request assistance, and upon such request, a reasonable effort will be made to assist you in correcting those deficiencies.”

(b) The probationary teacher or probationary administrator, as applicable, must acknowledge in writing that he or she has received and understands the statement described in paragraph (a).

2. If a probationary teacher or probationary administrator requests that his or her next evaluation be conducted by another administrator in accordance with the notice required by subsection 1, the administrator conducting the evaluation must be:

(a) Employed by the school district or, if the school district has five or fewer administrators, employed by another school district in this State; and

(b) Selected by the probationary teacher or probationary administrator, as applicable, from a list of three candidates submitted by the superintendent.

3. If a probationary teacher or probationary administrator requests assistance in correcting deficiencies reported in his or her evaluation, the administrator who conducted the evaluation shall ensure that a reasonable

effort is made to assist the probationary teacher or probationary administrator in correcting those deficiencies.

Sec. 18.7. 1. The provisions of this section apply to probationary employees who are employed by a school district that conducts evaluations pursuant to sections 17 and 18 of this act for the 2013-2014 school year or the 2014-2015 school year, or both, for each school year that the school district conducts evaluations pursuant to those sections.

2. A probationary employee is employed on a contract basis for three 1-year periods and has no right to employment after any of the three probationary contract years.

3. The board shall notify each probationary employee in writing on or before May 1 of the first, second and third school years of the employee's probationary period, as appropriate, whether the employee is to be reemployed for the second or third year of the probationary period or for the fourth school year as a postprobationary employee. Failure of the board to notify the probationary employee in writing on or before May 1 in the first or second year of the probationary period does not entitle the employee to postprobationary status. The employee must advise the board in writing on or before May 10 of the first, second or third year of the employee's probationary period, as appropriate, of the employee's acceptance of reemployment. If a probationary employee is assigned to a school that operates all year, the board shall notify the employee in writing, in the first, second and third years of the employee's probationary period, not later than 45 days before his or her last day of work for the year under his or her contract whether the employee is to be reemployed for the second or third year of the probationary period or for the fourth school year as a postprobationary employee. Failure of the board to notify a probationary employee in writing within the prescribed period in the first or second year of the probationary period does not entitle the employee to postprobationary status. The employee must advise the board in writing within 10 days after the date of notification of his or her acceptance or rejection of reemployment for another year. Failure to advise the board of the employee's acceptance of reemployment pursuant to this subsection constitutes rejection of the contract.

4. A probationary employee who:

- (a) Completes a 3-year probationary period;
 - (b) Receives a designation of "satisfactory" on each of his or her performance evaluations for 2 consecutive school years; and
 - (c) Receives a notice of reemployment from the school district in the third year of the employee's probationary period,
- ➡ is entitled to be a postprobationary employee in the ensuing year of employment.

5. If a probationary employee is notified that the employee will not be reemployed for the school year following the 3-year probationary period, his or her employment ends on the last day of the current school year. The notice that the employee will not be reemployed must include a statement of the reasons for that decision.

6. A new employee who is employed as an administrator or a postprobationary teacher who is employed as an administrator shall be deemed to be a probationary employee for the purposes of this section and must serve a 3-year probationary period as an administrator in accordance with the provisions of this section. If:

(a) A postprobationary teacher who is an administrator is not reemployed as an administrator after any year of his or her probationary period; and

(b) There is a position as a teacher available for the ensuing school year in the school district in which the person is employed,

➡ the board of trustees of the school district shall, on or before May 1, offer the person a contract as a teacher for the ensuing school year. The person may accept the contract in writing on or before May 10. If the person fails to accept the contract as a teacher, the person shall be deemed to have rejected the offer of a contract as a teacher.

7. An administrator who has completed his or her probationary period pursuant to subsection 6 and is thereafter promoted to the position of principal must serve an additional probationary period of 1 year in the position of principal. If an administrator is promoted to the position of principal before completion of his or her probationary period pursuant to subsection 6, the administrator must serve the remainder of his or her probationary period pursuant to subsection 6 or an additional probationary period of 1 year in the position of principal, whichever is longer. If the administrator serving the additional probationary period is not reemployed as a principal after the expiration of the probationary period or additional probationary period, as applicable, the board of trustees of the school district in which the person is employed shall, on or before May 1, offer the person a contract for the ensuing school year for the administrative position in which the person attained postprobationary status. The person may accept the contract in writing on or before May 10. If the person fails to accept such a contract, the person shall be deemed to have rejected the offer of employment.

8. If a probationary employee receives notice that he or she will be dismissed before the completion of the current school year, the probationary employee may request an expedited hearing pursuant to the Expedited Labor Arbitration Procedures established by the American Arbitration Association or its successor organization.

Sec. 19. 1. Except as otherwise provided by section 16.5 of this act, each school district shall participate in the validation study of the statewide performance evaluation system adopted by the State Board of Education pursuant to NRS 391.465, as amended by section 10 of this act, for the 2013-2014 school year. Except as otherwise provided in sections 16.5 and 16.7 of this act, if the Interim Finance Committee makes a determination pursuant to section 16.3 of this act that all school districts which participated in the validation study of the statewide performance evaluation system for the 2013-2014 school year are not prepared to implement the evaluation system, those school districts must participate in a second validation study of the evaluation system for the 2014-2015 school year.

2. On or before August 1, 2013, and, if applicable, on or before August 1, 2014, the Department of Education shall, in consultation with the boards of trustees of the school districts that do not have an application approved by the Department to opt out of the delay of the implementation of the statewide performance evaluation system pursuant to section 16.5 or 16.7 of this act, as applicable, select a representative sample of teachers and administrators for a validation study of the statewide performance evaluation system adopted by the State Board of Education pursuant to NRS 391.465, as amended by section 10 of this act. **In addition, if the Department has approved a school district that opted out of the delay of the implementation of the statewide performance evaluation system to participate in a portion of the validation study, the Department shall, in consultation with that school district, select a representative sample of teachers and administrators for the portion of the validation study the Department has approved for the school district's participation.** The administrators selected for the validation study must provide primarily administrative services at the school level and not provide primarily direct instructional services to pupils, regardless of whether such an administrator is licensed as a teacher or administrator, including, without limitation, a principal and vice principal. ~~Each school district shall participate in the validation study.~~

3. For the 2013-2014 school year and, if applicable, for the 2014-2015 school year:

(a) Some evaluations of teachers and administrators pursuant to the statewide performance evaluation system adopted by the State Board of Education pursuant to NRS 391.465, as amended by section 10 of this act, will be conducted as set forth in this section for purposes of a validation study concurrently with the evaluations required by sections 17 and 18 of this act, as applicable.

(b) Decisions regarding the suspension, demotion, dismissal and refusal to reemploy must not be based upon any results of the evaluations conducted pursuant to this section for purposes of the validation study.

4. ~~{The}~~ **For those school districts that have not opted out of the delay of the implementation of the statewide performance evaluation system,** ~~the~~ teachers who are selected for the validation study must be evaluated in accordance with section 17 of this act and in accordance with the policy for evaluations set forth in NRS 391.3125, as amended by section 4 of this act.

5. ~~{The}~~ **For those school districts that have not opted out of the delay of the implementation of the statewide performance evaluation system,** ~~the~~ administrators who are selected for the validation study must be evaluated in accordance with section 18 of this act and in accordance with the policy for evaluations set forth in NRS 391.3127, as amended by section 5 of this act.

Sec. 20. 1. If a validation study is not conducted pursuant to section 19 of this act for the 2014-2015 school year, each postprobationary teacher and administrator who is employed by a school district that **did not opt out of the delay of the implementation of the statewide performance evaluation system and that** participated in the validation study during the 2013-2014 school year must be evaluated during the 2014-2015 school year pursuant to NRS 391.3125 or 391.3127, as amended by sections 4 and 5 of this act, respectively, and must, as part of the evaluation, be observed at least two times as follows:

(a) The first observation must occur within 80 days after the first day of instruction of the school year; and

(b) The second observation must occur after 80 days but within 120 days after the first day of instruction of the school year.

2. For the 2015-2016 school year and each school year thereafter, each postprobationary teacher and administrator who is evaluated pursuant to NRS 391.3125 or 391.3127, as amended by sections 4 and 5 of this act, respectively, must, as part of the evaluation, be observed in accordance with the observation schedule set forth in NRS 391.3125 or 391.3127, as applicable, based upon the designation of the overall performance of the employee for the 2014-2015 school year.

Sec. 20.5. 1. If a validation study is conducted pursuant to section 19 of this act for the 2014-2015 school year, each postprobationary teacher and administrator who is employed by a school district that **did not opt out of the delay of the implementation of the statewide performance evaluation system and that** participated in the validation study for that school year must be evaluated during the 2015-2016 school year pursuant to NRS 391.3125 or 391.3127, as amended by sections 4 and 5 of this act, respectively, and must, as part of the evaluation, be observed at least two times as follows:

(a) The first observation must occur within 80 days after the first day of instruction of the school year; and

(b) The second observation must occur after 80 days but within 120 days after the first day of instruction of the school year.

2. For the 2016-2017 school year and each school year thereafter, each postprobationary teacher and administrator who is evaluated pursuant to NRS 391.3125 or 391.3127, as amended by sections 4 and 5 of this act, respectively, must, as part of the evaluation, be observed in accordance with the observation schedule set forth in NRS 391.3125 or 391.3127, as applicable, based upon the designation of the overall performance of the employee for the 2015-2016 school year.

Sec. 21. 1. On or before August 1, 2014, the Department of Education shall, in consultation with the boards of trustees of the 17 school districts, select a representative sample of counselors, librarians and other licensed educational personnel, except for teachers and administrators, for a validation study of the statewide performance evaluation system adopted by the State Board of Education pursuant to NRS 391.465, as amended by section 10 of this act. Each school district shall participate in the validation study.

2. For the 2014-2015 school year:

(a) The evaluations of counselors, librarians and other licensed educational personnel, except for teachers and administrators, pursuant to the statewide performance evaluation system adopted by the State Board of Education pursuant to NRS 391.465, as amended by section 10 of this act, will be conducted as set forth in this section for purposes of a validation study concurrently with the evaluations required by section 17 of this act.

(b) Decisions regarding the suspension, demotion, dismissal and refusal to reemploy must not be based upon any results of the evaluations conducted pursuant to this section for purposes of the validation study.

3. The counselors, librarians and other licensed educational personnel who are selected for the validation study must be evaluated in accordance with section 17 of this act and in accordance with the policy for evaluations set forth in NRS 391.3125, as amended by section 4 of this act.

Sec. 22. Commencing with the 2015-2016 school year, the board of trustees of each school district shall implement and carry out the policy for evaluations of counselors, librarians and other licensed educational personnel, except for teachers and administrators, required by NRS 391.3125, as amended by section 4 of this act.

Sec. 23. 1. This section and section 16 of this act become effective upon passage and approval.

2. Sections 1 to 15, inclusive, and 16.3 to 22, inclusive, of this act become effective on July 1, 2013.

TEXT OF REPEALED SECTION

Section 21 of chapter 379, Statutes of Nevada 2011:

Sec. 21. The provisions of section 9 of this act, NRS 391.311 to 391.3125, inclusive, as amended by sections 10 to 13, inclusive, of this act, NRS 391.3127, as amended by section 15 of this act, NRS 391.313, as amended by section 17 of this act, NRS 391.317, as amended by section 18 of this act, and NRS 391.3197, as amended by section 19 of this act, apply to all:

1. Teachers who are initially employed by a school district on or after July 1, 2011.

2. A new employee who is hired by a school district as an administrator on or after July 1, 2011.

3. A postprobationary teacher who is employed as an administrator on or after July 1, 2011.

Assemblyman Elliot Anderson moved the adoption of the amendment.

Remarks by Assemblyman Elliot Anderson.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

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

Assembly in recess at 5:19 p.m.

ASSEMBLY IN SESSION

At 9:26 p.m.

Madam Speaker presiding.

Quorum present.

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, June 2, 2013

To the Honorable the Assembly:

It is my pleasure to inform your esteemed body that the Senate on this day passed Assembly Bills Nos. 125, 130.

Also, it is my pleasure to inform your esteemed body that the Senate on this day adopted Assembly Concurrent Resolution No. 9.

Also, it is my pleasure to inform your esteemed body that the Senate amended, and on this day passed, as amended, Assembly Bill No. 145, Amendment No. 932; Assembly Bill No. 412, Amendments Nos. 924, 942, and respectfully requests your honorable body to concur in said amendments.

Also, it is my pleasure to inform your esteemed body that the Senate on this day respectfully refused to recede from its action on Assembly Bill No. 379, Senate Amendment No. 757, and requests a conference, and appointed Senators Manendo, Spearman and Gustavson as a Conference Committee to meet with a like committee of the Assembly.

Also, it is my pleasure to inform your esteemed body that the Senate on this day passed Senate Bills Nos. 293, 521.

Also, it is my pleasure to inform your esteemed body that the Senate on this day passed, as amended, Senate Bills Nos. 172, 204, 486.

Also, it is my pleasure to inform your esteemed body that the Senate on this day respectfully refused to concur in the Assembly Amendment No. 915 to Senate Bill No. 44.

SHERRY L. RODRIGUEZ
Assistant Secretary of the Senate

INTRODUCTION, FIRST READING AND REFERENCE

Senate Bill No. 172.

Assemblywoman Carlton moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

Senate Bill No. 204.

Assemblywoman Carlton moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

Senate Bill No. 293.

Assemblywoman Carlton moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

Senate Bill No. 486.

Assemblywoman Carlton moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

Senate Bill No. 521.

Assemblywoman Carlton moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

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

Assembly in recess at 9:37 p.m.

ASSEMBLY IN SESSION

At 11:34 p.m.

Madam Speaker presiding.

Quorum present.

REPORTS OF COMMITTEES

Madam Speaker:

Your Committee on Commerce and Labor, to which were referred Senate Bills Nos. 123, 479, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

DAVID P. BOBZIEN, *Chair*

Madam Speaker:

Your Committee on Government Affairs, to which was referred Senate Bill No. 21, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

TERESA BENITEZ-THOMPSON, *Chair*

Madam Speaker:

Your Committee on Judiciary, to which was referred Assembly Bill No. 512, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 374, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JASON FRIERSON, *Chair*

Madam Speaker:

Your Committee on Ways and Means, to which was referred Senate Bill No. 521, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Ways and Means, to which were rereferred Assembly Bills Nos. 273, 367, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MAGGIE CARLTON, *Chair*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, June 2, 2013

To the Honorable the Assembly:

It is my pleasure to inform your esteemed body that the Senate on this day passed Senate Bill No. 522.

Also, it is my pleasure to inform your esteemed body that the Senate on this day passed, as amended, Senate Bills Nos. 174, 391, 400.

SHERRY L. RODRIGUEZ
Assistant Secretary of the Senate

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Horne moved that all rules be suspended, reading so far had considered second reading, rules further suspended, and all measures reported out of committee, including Senate Bills Nos. 3, 374, and 516, be declared emergency measures under the constitution and placed on third reading and final passage.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

Senate Bill No. 174.

Assemblywoman Benitez-Thompson moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Senate Bill No. 391.

Assemblywoman Benitez-Thompson moved that the bill be referred to the Committee on Education.

Motion carried.

Senate Bill No. 400.

Assemblywoman Bustamante Adams moved that the bill be referred to the Committee on Taxation.

Motion carried.

Senate Bill No. 522.

Assemblywoman Carlton moved that the bill be referred to the Committee on Ways and Means.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 56.

Bill read third time.

Remarks by Assemblywoman Swank.

ASSEMBLYWOMAN SWANK:

Senate Bill 56 amends provisions relating to certain state financial data that the State Controller is required to make available to the public on the Controller's website. The bill requires that information relating to expenditures and revenues of the state be made available for the current fiscal year and the immediately preceding fiscal year rather than for the current biennium and the immediately preceding biennium. The bill also changes the designation of various "funds" to "accounts" and provides that money remaining in certain accounts at the end of the fiscal year does not revert to the State General Fund.

Roll call on Senate Bill No. 56:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 56 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 390.

Bill read third time.

Remarks by Assemblymen Carrillo and Bobzien.

ASSEMBLYMAN CARRILLO:

Senate Bill 390 requires the Division of Minerals of the Commission on Mineral Resources and the Nevada Division of Environmental Protection of the State Department of Conservation and Natural Resources to jointly develop a hydraulic fracturing program on or before July 1, 2014. The program must assess the effects of hydraulic fracturing on the waters of Nevada, require disclosure of chemicals used in hydraulic fracturing, and provide for public notice concerning fracturing activities. Finally, S.B. 390 requires the Commission on Mineral

Resources to adopt regulations implementing the hydraulic fracturing program on or before January 1, 2015.

ASSEMBLYMAN BOBZIEN:

I rise in support of Senate Bill 390. This is an emerging issue for Nevada, and it is an emerging issue for this Legislature. I am encouraged by the work that was done with all parties on this bill this session. I look forward to seeing the results and how this will play out during the interim. I look forward to further conversations next legislative session to see if we need to make any adjustments.

Roll call on Senate Bill No. 390:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 390 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 395.

Bill read third time.

Remarks by Assemblywoman Dondero Loop.

ASSEMBLYWOMAN DONDERO LOOP:

Senate Bill 395 requires the Advisory Commission on the Administration of Justice to identify and study the provisions of existing law imposing or authorizing a collateral consequence of conviction and any provisions of existing law allowing relief from those collateral consequences.

Roll call on Senate Bill No. 395:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 395 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 452.

Bill read third time.

Remarks by Assemblyman Oscarson.

ASSEMBLYMAN OSCARSON:

Senate Bill 452 allows the Board of Trustees for the Fund for Hospital Care to Indigent Persons to enter into an agreement with the Division of Health Care Financing and Policy of the Department of Health and Human Services to transfer money from the Fund to the Division to be used to provide enhanced rates of reimbursement for hospital care provided to recipients of Medicaid, to make supplemental payments to a hospital for care through increased federal financial participation, and to satisfy any portion of a county obligation to pay the nonfederal share of certain expenditures relating to long-term care.

Once such an agreement is entered into and any enhanced rate of reimbursement or supplemental payments are approved by the federal government, the measure requires the Board

to continue to provide money pursuant to the agreement until the federal government approves reverting to the previous rate of reimbursement or payments.

In addition, S.B. 452 creates within the Fund the Hospital Assessment Account, which is to be administered by the Board. If an agreement is entered into between the Board and the Division, certain hospitals may be required to pay an annual assessment for deposit into the Account. Uncommitted funds that remain in the Account at the end of a fiscal year are to be reimbursed to each hospital proportionally based on the assessment amount each paid. Finally, the measure revises the allocation and use of certain funding provided by counties and certain hospitals to support indigent care.

Roll call on Senate Bill No. 452:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 452 having received a two-thirds majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 464.

Bill read third time.

Remarks by Assemblyman Ellison.

ASSEMBLYMAN ELLISON:

Senate Bill 464 renames the Division of Measurement Standards within the State Department of Agriculture as the Division of Consumer Equitability and renames the State Sealer of Weights and Measures as the State Sealer of Consumer Equitability.

Testimony indicates the renaming of the division better describes the duties performed by the division and will assist the State Department of Agriculture in its efforts to reorganize. Madam Speaker, you heard the other day from the two chicken cluckers from Assembly Districts 18 and 32. We don't have a chicken clucker, but we do have a sticker that will go on the gas pump.

Roll call on Senate Bill No. 464:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 464 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 465.

Bill read third time.

Remarks by Assemblyman Healey.

ASSEMBLYMAN HEALEY:

Senate Bill 465 increases the maximum rate the State Department of Agriculture may set for stock cattle, dairy cattle, hogs, pigs, and goats.

Roll call on Senate Bill No. 465:

YEAS—38.

NAYS—Ellison, Fiore, Wheeler—3.

EXCUSED—Pierce.

Senate Bill No. 465 having received a two-thirds majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 467.

Bill read third time.

Remarks by Assemblywoman Dondero Loop.

ASSEMBLYWOMAN DONDERO LOOP:

Senate Bill 467 removes the requirement that the Superintendent of Public Instruction hold a master's degree in an education field, authorizes the appointment of deputy superintendents as required by the Superintendent, and transfers certain duties from the Superintendent to the Department of Education. Additionally, the bill revises the allowable uses of money in the Account for Programs for Innovation and the Prevention of Remediation.

Roll call on Senate Bill No. 467:

YEAS—40.

NAYS—Wheeler.

EXCUSED—Pierce.

Senate Bill No. 467 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 481.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

Senate Bill 481, as amended, temporarily waives the minimum amount of money that school districts, charter schools, and university schools for profoundly gifted pupils must expend each fiscal year on textbooks, instructional supplies, and instructional software and hardware. The bill also temporarily waives the minimum amount of money school districts must expend each school year on library books, software for computers, the purchase of equipment relating to instruction, and the maintenance and repair of equipment, vehicles, and buildings and facilities. A waiver from the minimum expenditure requirements was approved by the 26th Special Session in 2010 for the 2009 2011 biennium and again by the 76th Session in 2011 for the current biennium. Senate Bill 481 extends the waiver through the 2013-2015 biennium.

This temporary waiver is becoming a little too long, and I would truly hope that next biennium we can address things like textbooks, software, and library books. I think they are very important to education, just as other things that we have funded this session are very important to education.

Roll call on Senate Bill No. 481:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 481 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 490.

Bill read third time.

Remarks by Assemblyman Thompson.

ASSEMBLYMAN THOMPSON:

Senate Bill 490 transfers powers and duties relating to the Supplemental Food Program, including use of the Donated Commodities Account, from the Administrator of the Purchasing Division of the Department of Administration to the Director of the State Department of Agriculture. The bill also allows the Director to donate commodities that have reached the end of their useful lives to organizations created for religious, charitable, or educational purposes.

Roll call on Senate Bill No. 490:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 490 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 502.

Bill read third time.

Remarks by Assemblyman Hambrick.

ASSEMBLYMAN HAMBRICK:

Senate Bill 502 authorizes the Health Division of the Department of Health and Human Services to establish a secure Internet website to allow certain entities to conduct required background investigations using the website, and to charge fees for its use. Information accessible by entities using the website must be limited to that necessary for the background check. To paraphrase my colleague from District 12, this is a really neat bill.

Roll call on Senate Bill No. 502:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 502 having received a two-thirds majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 515.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

Senate Bill 515 authorizes the State Board of Finance, upon the request of the Administrator of the Employment Security Division, to issue special obligation bonds to fund the repayment of federal advances and interest thereon and to establish adequate balances in the state's Unemployment Trust Fund. The bonds will not be applied against the state's constitutional debit limit.

For each year there are outstanding bonds, the Treasurer shall notify the Employment Security Division Administrator of the amount due. The Administrator shall assess all employers subject to the provisions of NRS 612.535 with a proportionate share of the debt service amount.

Collection of all special assessments shall be deposited to the Unemployment Compensation Bond Fund created by Senate Bill 515 and administered by the State Treasurer. The Administrator shall cease charging additional bond contribution assessments when there are no bonds outstanding. Any funds remaining in the Unemployment Compensation Bond Fund shall be deposited to Nevada's Unemployment Trust Fund account with the United States Treasury.

This bill becomes effective upon passage and approval.

Roll call on Senate Bill No. 515:

YEAS—40.

NAYS—Fiore.

EXCUSED—Pierce.

Senate Bill No. 515 having received a two-thirds majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 518.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

Senate Bill 518, as amended, establishes the following state contributions for active employee and retiree group health insurance for the 2013-2015 biennium. The active employees for 2014 is \$688.37 per person per month; in 2015, it is \$695.35 per person per month. Non-Medicare retirees and \$452.26 per month and \$462.20 per month in 2015. For those Medicare-eligible retirees who retired before January 1, 1994, the contribution is \$165 per month. For those Medicare retirees who retired after January 1, 1994, the base contribution is \$11 per month per year of service credit. For both pre-1994 retirees and post-1994 retirees, the bill establishes a one-time additional contribution of \$2 per month per year of service credit for both 2014 and 2015.

This bill becomes effective on July 1, 2013.

Roll call on Senate Bill No. 518:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Senate Bill No. 518 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Joint Resolution No. 8.

Resolution read third time.

Remarks by Assemblymen Flores, Stewart, and Elliot Anderson.

ASSEMBLYWOMAN FLORES:

Senate Joint Resolution No. 8 proposes to amend the *Nevada Constitution* to provide for annual regular legislative sessions, limited in odd-numbered years to not more than 90 legislative days within 120 calendar days and in even-numbered years to not more than 30 legislative days within 45 calendar days. The measure proposes to remove the current constitutional provisions that limit payment of legislator salaries to the first 60 days of a regular session and the first 20 days of a special session and proposes instead that legislators be compensated at regular intervals as set by law. The measure also proposes to remove the restriction of \$60 per session for office

expenses, such as postage and stationery, and to appropriate funds for actual expenses that members may incur for each legislative session.

ASSEMBLYMAN STEWART:

I rise in opposition to this measure. I was on the committee that discussed this and I was in favor of the measure if we kept it at 90 calendar days on the odd-numbered years and 30 calendar days on the even years. The way this is, we would be up here for 120 days and 45 days, and folks, that is way too long.

ASSEMBLYMAN ELLIOT ANDERSON:

I rise in support. For me, what this comes down to is we have an Executive Branch that works year-round, and I believe in a government that has separate and equal powers. I believe in checks and balances, as well. Also, I don't know how we can really hope to do the best that we can for our budget when we are having to forecast two years in advance. I think history has shown that it is very difficult to do that, and this is a good step in the right direction.

Roll call on Senate Joint Resolution No. 8:

YEAS—23.

NAYS—Paul Anderson, Carlton, Daly, Duncan, Ellison, Fiore, Grady, Hambrick, Hansen, Hardy, Hickey, Kirner, Livermore, Munford, Oscarson, Stewart, Wheeler, Woodbury—18.

EXCUSED—Pierce.

Senate Joint Resolution No. 8 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Resolution ordered transmitted to the Senate.

Assembly Bill No. 38.

Bill read third time.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

Assembly Bill 38, as amended, makes the following changes relating to abatements or deferments of taxes allowed under law, including, removing provisions allowing abatements to be granted to businesses that further the development and refinement of intellectual property, patents, or copyrights into commercial projects; changing or clarifying conditions that must be met to qualify for abatements; allowing businesses locating within an activated foreign trade zone to receive a partial abatement of up to 75 percent of personal property taxes for up to ten years; increasing the minimum sales price to receive a deferral of sales taxes from \$100,000 to \$1 million and adding additional conditions that must be met in order to become eligible to receive the deferral; specifying limits on the partial abatements that may be received for new or expanding businesses locating in certain zones for economic development; and providing additional abatements from property and sales taxes for data centers locating in those zones for economic development.

Assembly Bill 38, as amended, becomes effective upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act and on July 1, 2013, for all other purposes.

The provisions of the bill relating to the abatements in an activated foreign trade zone expire by limitation on June 30, 2017. The provisions changing or clarifying provisions relating to certain existing abatements expire by limitation on June 30, 2032.

Roll call on Assembly Bill No. 38:

YEAS—41.

NAYS—None.

EXCUSED—Pierce.

Assembly Bill No. 38 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 239.

Bill read third time.

Remarks by Assemblyman Bobzien.

ASSEMBLYMAN BOBZIEN:

Assembly Bill 239 establishes the Economic Development Electric Rate Rider Program, which is a five-year program to encourage the location or relocation of new commercial and industrial businesses in the state by providing discounted rates for electricity to eligible participants.

The bill, as amended, requires the Economic Development Rate Rider Program to be administered by the Public Utilities Commission in consultation with the Governor's Office of Economic Development, persons wishing to apply to the program to submit an application to the Governor's Office of Economic Development and obtain approval and a letter of eligibility, the PUC to establish the discounted rates for electricity available to the applicant and the terms of the contract between the applicant and electric utility, and the Public Utilities Commission to submit a written report to the next Legislature detailing the program including the number of participants, the amount of electricity allocated, the amount of discounts provided, and the remaining amount of electricity available for allocation.

The bill, as amended, modifies the provisions of partial abatement for local sales, local use, and property taxes by allowing the Director of the Governor's Office of Energy to charge and collect a fee from applicants who submit an application for a partial abatement of local sales, local use, and property taxes, requiring this fee to not exceed the actual cost to process the application and evaluate the proof submitted by the applicant, adding geothermal energy to the definition of renewable energy and allowing applicants to seek abatements, and removing a person who operates a facility for the transmission of electricity generated from renewable energy or geothermal resources from the list of persons eligible for partial abatement.

Roll call on Assembly Bill No. 239:

YEAS—40.

NAYS—None.

EXCUSED—Pierce, Sprinkle—2.

Assembly Bill No. 239 having received a two-thirds majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 360.

Bill read third time.

Remarks by Assemblyman Horne.

ASSEMBLYMAN HORNE:

Assembly Bill 360 authorizes the Governor, upon recommendation of the Nevada Gaming Commission, to enter into agreements with other governments allowing persons physically located in those jurisdictions to participate in interactive gaming conducted by one or more

licensed operators of the signatory governments. The bill prohibits the Governor from entering into those agreements unless it provides for any potential arrangement for revenue-sharing, permits effective regulations of interactive gaming, and meets other requirements. As used in the bill, *government* means any governmental unit other than United States government. Assembly Bill 360 revises definitions of various terms relating to the regulation of gaming by repeal and replaces section 3 of Senate Bill 9, and it transfers from the Commission to the State Gaming Control Board responsibility for determining the annual adjustments to financial reporting thresholds for non-restricted licensees. The bill requires a person seeking to hold 5 percent or less interest in certain gaming licenses to register with the Board. It revises provisions relating to independent testing laboratories. The measure also requires the Legislative Commission to conduct an interim study concerning the impact of technology on the regulation of gaming and the distinction between restricted and non-restricted gaming licensees. Finally, Assembly Bill 360 revises the dates on which the mandatory provisions of Senate Bill 416 of this legislative session apply to certain gaming licensees. The measure is effective upon passage and approval.

Roll call on Assembly Bill No. 360:

YEAS—39.

NAYS—None.

EXCUSED—Hardy, Pierce, Sprinkle—3.

Assembly Bill No. 360 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 407.

Bill read third time.

Remarks by Assemblyman Elliot Anderson.

ASSEMBLYMAN ELLIOT ANDERSON:

Senate Bill 407 revises the timetable for implementation of the teachers and leaders performance evaluation system to delay implementation of the evaluation system and the associated performance pay program for an additional year.

This is a piece delaying the evaluation system we passed last session. It's not ready to go yet. The State Board of Education and the State Superintendent support this measure, and it's important we get it through for them.

Roll call on Senate Bill No. 407:

YEAS—39.

NAYS—None.

EXCUSED—Hardy, Pierce, Sprinkle—3.

Senate Bill No. 407 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 273.

Bill read third time.

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 960.

AN ACT relating to real property; ~~creating the Contingency Account for the Foreclosure Mediation Program;~~ revising provisions governing enrollment in the Foreclosure Mediation Program; revising provisions governing the foreclosure of liens by an association of a common-interest community; **making an appropriation;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the trustee under a deed of trust concerning owner-occupied housing has the power to sell the property to which the deed of trust applies, subject to certain restrictions. (NRS 107.080, 107.085, 107.086) One such restriction requires the trustee under the deed of trust to include with the copy of the notice of default and election to sell which is mailed to the homeowner: (1) a notice provided by the Foreclosure Mediation Program Administrator indicating that the grantor or the person who holds the title of record has the right to seek mediation under rules adopted by the Nevada Supreme Court; and (2) a form on which a homeowner may request such mediation. Under existing law, a homeowner must elect to participate by: (1) completing and returning to the trustee a form upon which the homeowner elects to enter into mediation; and (2) paying his or her share of the fee established under the rules adopted by the Nevada Supreme Court. (NRS 107.080, 107.086)

This bill revises provisions governing enrollment in the Foreclosure Mediation Program. Under **sections 2 and 3** of this bill, a trustee under a deed of trust concerning owner-occupied housing must, in addition to including certain information concerning the Foreclosure Mediation Program with the copy of the notice of default and election which is mailed to the homeowner, send that information to the homeowner concurrently with, but separately from, the copy of the notice of default and election to sell. **Section 3** further provides that a homeowner will be enrolled in the Foreclosure Mediation Program unless: (1) he or she elects to waive mediation; or (2) fails to pay his or her share of the fee established under the rules adopted by the Nevada Supreme Court. If the homeowner waives mediation, fails to pay his or her share of the fee or, if the homeowner is enrolled in the Foreclosure Mediation Program, fails to appear at a scheduled mediation, the Mediation Administrator must provide to the trustee a certificate authorizing the continuation of the process to exercise the power of sale. **Section 3** also establishes deadlines by which the Mediation Administrator must provide certain information to the trustee.

~~Section 1 of this bill creates the Contingency Account for the Foreclosure Mediation Program. Under section 1, the Supreme Court administers the~~

~~Contingency Account and money in the Contingency Account must be expended only to carry out the Foreclosure Mediation Program.]~~

Section 4 of this bill prohibits a homeowners' association from foreclosing its lien on a unit constituting owner-occupied housing while the unit's owner is eligible to participate or is participating in the Foreclosure Mediation Program.

Section 4.5 of this bill makes an appropriation of \$100 from the State General Fund to the Account for Foreclosure Mediation to support the Foreclosure Mediation Program.

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

Section 1. ~~[Chapter 107 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. The Contingency Account for the Foreclosure Mediation Program is hereby created in the State General Fund.~~

~~2. The Supreme Court shall administer the Contingency Account. The money in the Contingency Account must be expended only for the purpose of carrying out the provisions of NRS 107.086 and any rules adopted by the Supreme Court to carry out the provisions of NRS 107.086.~~

~~3. The Supreme Court may apply for and accept gifts, grants and donations or other sources of money for deposit in the Contingency Account.~~

~~4. The interest and income earned on money in the Contingency Account, after deducting any applicable charges, must be credited to the Contingency Account.~~

~~5. Any money remaining in the Contingency Account at the end of a fiscal year does not revert to the State General Fund and the balance in the Contingency Account must be carried forward to the next fiscal year.]~~
(Deleted by amendment.)

Sec. 2. NRS 107.085 is hereby amended to read as follows:

107.085 1. With regard to a transfer in trust of an estate in real property to secure the performance of an obligation or the payment of a debt, the provisions of this section apply to the exercise of a power of sale pursuant to NRS 107.080 only if:

(a) The trust agreement becomes effective on or after October 1, 2003, and, on the date the trust agreement is made, the trust agreement is subject to the provisions of § 152 of the Home Ownership and Equity Protection Act of 1994, 15 U.S.C. § 1602(bb), and the regulations adopted by the Board of Governors of the Federal Reserve System pursuant thereto, including, without limitation, 12 C.F.R. § 226.32; or

(b) The trust agreement concerns owner-occupied housing as defined in NRS 107.086.

2. The trustee shall not exercise a power of sale pursuant to NRS 107.080 unless:

(a) In the manner required by subsection 3, not later than 60 days before the date of the sale, the trustee causes to be served upon the grantor or the person who holds the title of record a notice in the form described in subsection 3; and

(b) If an action is filed in a court of competent jurisdiction claiming an unfair lending practice in connection with the trust agreement, the date of the sale is not less than 30 days after the date the most recent such action is filed.

3. The notice described in subsection 2 must be:

(a) Served upon the grantor or the person who holds the title of record:

(1) Except as otherwise provided in subparagraph (2), by personal service or, if personal service cannot be timely effected, in such other manner as a court determines is reasonably calculated to afford notice to the grantor or the person who holds the title of record; or

(2) If the trust agreement concerns owner-occupied housing as defined in NRS 107.086:

(I) By personal service;

(II) If the grantor or the person who holds the title of record is absent from his or her place of residence or from his or her usual place of business, by leaving a copy with a person of suitable age and discretion at either place and mailing a copy to the grantor or the person who holds the title of record at his or her place of residence or place of business; or

(III) If the place of residence or business cannot be ascertained, or a person of suitable age or discretion cannot be found there, by posting a copy in a conspicuous place on the trust property, delivering a copy to a person there residing if the person can be found and mailing a copy to the grantor or the person who holds the title of record at the place where the trust property is situated; and

(b) In substantially the following form, with the applicable telephone numbers and mailing addresses provided on the notice and, except as otherwise provided in subsection 4, a copy of the promissory note attached to the notice:

NOTICE

YOU ARE IN DANGER OF LOSING YOUR HOME!

~~YOU MAY HAVE A RIGHT TO PARTICIPATE IN THE STATE OF
NEVADA FORECLOSURE MEDIATION PROGRAM IF THE TIME
TO REQUEST MEDIATION HAS NOT EXPIRED!~~

Your home loan is being foreclosed. In not less than 60 days your home may be sold and you may be forced to move. For help, call:

~~{State of Nevada Foreclosure Mediation Program _____}~~

Consumer Credit Counseling _____

The Attorney General _____

The Division of Mortgage Lending _____

The Division of Financial Institutions _____

Legal Services _____

Your Lender _____

Nevada Fair Housing Center _____

4. The trustee shall cause all social security numbers to be redacted from the copy of the promissory note before it is attached to the notice pursuant to paragraph (b) of subsection 3.

5. This section does not prohibit a judicial foreclosure.

6. As used in this section, “unfair lending practice” means an unfair lending practice described in NRS 598D.010 to 598D.150, inclusive.

Sec. 3. NRS 107.086 is hereby amended to read as follows:

107.086 1. In addition to the requirements of NRS 107.085, the exercise of the power of sale pursuant to NRS 107.080 with respect to any trust agreement which concerns owner-occupied housing is subject to the provisions of this section.

2. The trustee shall not exercise a power of sale pursuant to NRS 107.080 unless the trustee:

(a) Includes with the notice of default and election to sell which is mailed to the grantor or the person who holds the title of record as required by subsection 3 of NRS 107.080:

(1) Contact information which the grantor or the person who holds the title of record may use to reach a person with authority to negotiate a loan modification on behalf of the beneficiary of the deed of trust;

(2) Contact information for at least one local housing counseling agency approved by the United States Department of Housing and Urban Development;

(3) A notice provided by the Mediation Administrator indicating that the grantor or the person who holds the title of record ~~{has the right to seek}~~ **will be enrolled to participate in** mediation pursuant to this section ~~{;}~~ **if he or she pays to the Mediation Administrator his or her share of the fee established pursuant to subsection 9;** and

(4) A form upon which the grantor or the person who holds the title of record may indicate an election ~~{to enter into mediation or}~~ to waive mediation pursuant to this section and one envelope addressed to the trustee and one envelope addressed to the Mediation Administrator, which the

grantor or the person who holds the title of record may use to comply with the provisions of subsection 3;

(b) *In addition to including the information described in paragraph (a) with the notice of default and election to sell which is mailed to the grantor or the person who holds the title of record as required by subsection 3 of NRS 107.080, provides to the grantor or the person who holds the title of record the information described in paragraph (a) concurrently with, but separately from, the notice of default and election to sell which is mailed to the grantor or the person who holds the title of record as required by subsection 3 of NRS 107.080;*

(c) Serves a copy of the notice upon the Mediation Administrator; and

~~{{e}}~~ (d) Causes to be recorded in the office of the recorder of the county in which the trust property, or some part thereof, is situated:

(1) The certificate provided to the trustee by the Mediation Administrator pursuant to subsection ~~{3}~~ 4 or ~~{6}~~ 7 which provides that no mediation is required in the matter; or

(2) The certificate provided to the trustee by the Mediation Administrator pursuant to subsection ~~{7}~~ 8 which provides that mediation has been completed in the matter.

3. ~~{The}~~ *If the grantor or the person who holds the title of record elects to waive mediation, he or she shall, not later than 30 days after service of the notice in the manner required by NRS 107.080, complete the form required by subparagraph (4) of paragraph (a) of subsection 2 and return the form to the trustee and the Mediation Administrator by certified mail, return receipt requested. If the grantor or the person who holds the title of record indicates on the form an election to enter into mediation, the trustee does not elect to waive mediation, he or she shall, not later than 30 days after the service of the notice in the manner required by NRS 107.080, pay to the Mediation Administrator his or her share of the fee established pursuant to subsection 9. Upon receipt of the share of the fee established pursuant to subsection 9 owed by the grantor or the person who holds title of record, the Mediation Administrator shall notify the beneficiary of the deed of trust and every other person with an interest as defined in NRS 107.090, trustee, by certified mail, return receipt requested, of the election of the grantor or the person who holds the title of record to enter into enrollment of the grantor or person who holds the title of record to participate in mediation pursuant to this section and file the form with the Mediation Administrator, who shall assign the matter to a senior justice, judge, hearing master or other designee and schedule the matter for mediation. No The trustee shall notify the beneficiary of the deed of trust and every other person with an interest as defined in NRS 107.090, by certified mail, return receipt requested, of the enrollment of the grantor or the person who holds the title of record to*

participate in mediation. If the grantor or person who holds the title of record is enrolled to participate in mediation pursuant to this section, no further action may be taken to exercise the power of sale until the completion of the mediation.

4. If the grantor or the person who holds the title of record indicates on the form ***described in subparagraph (4) of paragraph (a) of subsection 2*** an election to waive mediation or fails to ~~return the form to the trustee~~ ***pay to the Mediation Administrator his or her share of the fee established pursuant to subsection 9***, as required by ~~this subsection, the trustee shall execute an affidavit attesting to that fact under penalty of perjury and serve a copy of the affidavit, together with the waiver of mediation by the grantor or the person who holds the title of record, or proof of service on the grantor or the person who holds the title of record of the notice required by subsection 2 of this section and subsection 3 of NRS 107.080, upon the Mediation Administrator. Upon receipt of the affidavit and the waiver or proof of service,~~ ***subsection 3***, the Mediation Administrator shall, ***not later than 60 days after the Mediation Administrator receives the form indicating an election to waive mediation or 90 days after the service of the notice in the manner required by NRS 107.080, whichever is earlier***, provide to the trustee a certificate which provides that no mediation is required in the matter.

~~{4.}~~ 5. Each mediation required by this section must be conducted by a senior justice, judge, hearing master or other designee pursuant to the rules adopted pursuant to subsection ~~{8.}~~ 9. The beneficiary of the deed of trust or a representative shall attend the mediation. The grantor or ~~{a}~~ ***his or her*** representative, ~~{shall attend the mediation if the grantor elected to enter into mediation,}~~ or the person who holds the title of record or ~~{a}~~ ***his or her*** representative, shall attend the mediation. ~~{if the person who holds the title of record elected to enter into mediation.}~~ The beneficiary of the deed of trust shall bring to the mediation the original or a certified copy of the deed of trust, the mortgage note and each assignment of the deed of trust or mortgage note. If the beneficiary of the deed of trust is represented at the mediation by another person, that person must have authority to negotiate a loan modification on behalf of the beneficiary of the deed of trust or have access at all times during the mediation to a person with such authority.

~~{5.}~~ 6. If the beneficiary of the deed of trust or the representative fails to attend the mediation, fails to participate in the mediation in good faith or does not bring to the mediation each document required by subsection ~~{4}~~ 5 or does not have the authority or access to a person with the authority required by subsection ~~{4.}~~ 5, the mediator shall prepare and submit to the Mediation Administrator a petition and recommendation concerning the imposition of sanctions against the beneficiary of the deed of trust or the

representative. The court may issue an order imposing such sanctions against the beneficiary of the deed of trust or the representative as the court determines appropriate, including, without limitation, requiring a loan modification in the manner determined proper by the court.

~~{6-}~~ 7. If the grantor or the person who holds the title of record ~~is elected to enter into mediation and~~ **is enrolled to participate in mediation pursuant to this section** but fails to attend the mediation, the Mediation Administrator shall , **not later than 30 days after the scheduled mediation**, provide to the trustee a certificate which states that no mediation is required in the matter.

~~{7-}~~ 8. If the mediator determines that the parties, while acting in good faith, are not able to agree to a loan modification, the mediator shall prepare and submit to the Mediation Administrator a recommendation that the matter be terminated. The Mediation Administrator shall , **not later than 30 days after submittal of the mediator's recommendation that the matter be terminated**, provide to the trustee a certificate which provides that the mediation required by this section has been completed in the matter.

~~{8-}~~ 9. The Supreme Court shall adopt rules necessary to carry out the provisions of this section. The rules must, without limitation, include provisions:

(a) Designating an entity to serve as the Mediation Administrator pursuant to this section. The entities that may be so designated include, without limitation, the Administrative Office of the Courts, the district court of the county in which the property is situated or any other judicial entity.

(b) Ensuring that mediations occur in an orderly and timely manner.

(c) Requiring each party to a mediation to provide such information as the mediator determines necessary.

(d) Establishing procedures to protect the mediation process from abuse and to ensure that each party to the mediation acts in good faith.

(e) Establishing a total fee of not more than \$400 that may be charged and collected by the Mediation Administrator for mediation services pursuant to this section and providing that the responsibility for payment of the fee must be shared equally by the parties to the mediation.

~~{9-}~~ 10. Except as otherwise provided in subsection ~~{11-}~~ 12, the provisions of this section do not apply if:

(a) The grantor or the person who holds the title of record has surrendered the property, as evidenced by a letter confirming the surrender or delivery of the keys to the property to the trustee, the beneficiary of the deed of trust or the mortgagee, or an authorized agent thereof; or

(b) A petition in bankruptcy has been filed with respect to the grantor or the person who holds the title of record under chapter 7, 11, 12 or 13 of Title 11 of the United States Code and the bankruptcy court has not entered an

order closing or dismissing the case or granting relief from a stay of foreclosure.

~~{10-}~~ **11.** A noncommercial lender is not excluded from the application of this section.

~~{11-}~~ **12.** The Mediation Administrator and each mediator who acts pursuant to this section in good faith and without gross negligence are immune from civil liability for those acts.

~~{12-}~~ **13.** As used in this section:

(a) "Mediation Administrator" means the entity so designated pursuant to subsection ~~{8-}~~ **9**.

(b) "Noncommercial lender" means a lender which makes a loan secured by a deed of trust on owner-occupied housing and which is not a bank, financial institution or other entity regulated pursuant to title 55 or 56 of NRS.

(c) "Owner-occupied housing" means housing that is occupied by an owner as the owner's primary residence. The term does not include vacant land or any time share or other property regulated under chapter 119A of NRS.

Sec. 4. NRS 116.31162 is hereby amended to read as follows:

116.31162 1. Except as otherwise provided in subsection 4 ~~{4-}~~ **and 5**, in a condominium, in a planned community, in a cooperative where the owner's interest in a unit is real estate under NRS 116.1105, or in a cooperative where the owner's interest in a unit is personal property under NRS 116.1105 and the declaration provides that a lien may be foreclosed under NRS 116.31162 to 116.31168, inclusive, the association may foreclose its lien by sale after all of the following occur:

(a) The association has mailed by certified or registered mail, return receipt requested, to the unit's owner or his or her successor in interest, at his or her address, if known, and at the address of the unit, a notice of delinquent assessment which states the amount of the assessments and other sums which are due in accordance with subsection 1 of NRS 116.3116, a description of the unit against which the lien is imposed and the name of the record owner of the unit.

(b) Not less than 30 days after mailing the notice of delinquent assessment pursuant to paragraph (a), the association or other person conducting the sale has executed and caused to be recorded, with the county recorder of the county in which the common-interest community or any part of it is situated, a notice of default and election to sell the unit to satisfy the lien which must contain the same information as the notice of delinquent assessment and which must also comply with the following:

(1) Describe the deficiency in payment.

(2) State the name and address of the person authorized by the association to enforce the lien by sale.

(3) Contain, in 14-point bold type, the following warning:

WARNING! IF YOU FAIL TO PAY THE AMOUNT SPECIFIED IN THIS NOTICE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE!

(c) The unit's owner or his or her successor in interest has failed to pay the amount of the lien, including costs, fees and expenses incident to its enforcement, for 90 days following the recording of the notice of default and election to sell.

2. The notice of default and election to sell must be signed by the person designated in the declaration or by the association for that purpose or, if no one is designated, by the president of the association.

3. The period of 90 days begins on the first day following:

(a) The date on which the notice of default is recorded; or

(b) The date on which a copy of the notice of default is mailed by certified or registered mail, return receipt requested, to the unit's owner or his or her successor in interest at his or her address, if known, and at the address of the unit,

↪ whichever date occurs later.

4. The association may not foreclose a lien by sale based on a fine or penalty for a violation of the governing documents of the association unless:

(a) The violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community; or

(b) The penalty is imposed for failure to adhere to a schedule required pursuant to NRS 116.310305.

5. *The association may not foreclose a lien by sale if:*

(a) The unit is owner-occupied housing encumbered by a deed of trust;

(b) The beneficiary under the deed of trust, the successor in interest of the beneficiary or the trustee has recorded a notice of default and election to sell with respect to the unit pursuant to subsection 2 of NRS 107.080; and

(c) The trustee of record has not recorded the certificate provided to the trustee pursuant to subparagraph (1) or (2) of paragraph (d) of subsection 2 of NRS 107.086.

↪ *As used in this subsection, "owner-occupied housing" has the meaning ascribed to it in NRS 107.086.*

Sec. 4.5. 1. There is hereby appropriated from the State General Fund to the Account for Foreclosure Mediation created by NRS 107.080

the sum of \$100 for the purpose of supporting the program of foreclosure mediation established by Supreme Court Rule.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2015, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2015, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 18, 2015.

Sec. 5. The amendatory provisions of this act apply only with respect to trust agreements for which a notice of default and election to sell is recorded on or after October 1, 2013.

Sec. 6. 1. This section and section 4.5 of this act become effective on July 1, 2013.

2. Sections 1 to 4, inclusive, and 5 of this act become effective on October 1, 2013.

Assemblyman Eisen moved the adoption of the amendment.

Remarks by Assemblyman Eisen,

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 367.

Bill read third time.

The following amendment was proposed by the Committee on Ways and Means:

Amendment No. 955.

AN ACT relating to constructional defects; prohibiting a controlling party from seeking indemnification from a subcontractor, supplier, design professional or other person providing a service to a development project ~~or~~ **except under certain circumstances;** providing that certain indemnification and insurance provisions in certain contracts are void and unenforceable; revising ~~provisions governing certain cross claims arising under a claim for~~ **at the definition of a** constructional defect; ~~making an appropriation for a study;~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, before an owner of a residence or appurtenance or certain other persons may commence a civil action against a contractor, subcontractor, supplier or design professional for certain defects in the residence or appurtenance, the claimant must provide notice of the defect to the contractor. (NRS 40.645) Under existing law, not later than 30 days after

the date on which the contractor receives the notice, the contractor must forward a copy of the notice to each subcontractor, supplier or design professional whom the contractor reasonably believes is responsible for a defect specified in the notice. (NRS 40.646) The subcontractor, supplier or design professional who receives the notice must inspect the alleged constructional defect and may elect to repair the defect. (NRS 40.646, 40.647)

With respect to claims relating to certain defects in residential construction, **section 1** of this bill: (1) prohibits a controlling party for a development project from seeking indemnification from a subcontractor, supplier, design professional or any other person providing a service to the development project ~~and~~ **except under certain circumstances;** and (2) provides that any provision or clause of a contract that causes or is intended to cause any person to be responsible for the actions of another person is against public policy and is void and unenforceable. ~~[Section 1 further provides that certain cross claims which arise under a claim for a defect in certain residential construction must be governed only by the Nevada Rules of Civil Procedure and not by existing law governing claims for a constructional defect.]~~ Under **section 4** of this bill, the provisions of **section 1** apply only if the notice of a constructional defect which existing law requires a claimant to provide to the contractor is provided to the contractor on or after October 1, 2013.

~~[This bill also makes an appropriation for a study of the effect of indemnification clauses in construction contracts on the litigation of claims relating to defects in residential construction.]~~ **Section 2.5 of this bill revises the existing definition of “constructional defect” to provide that a constructional defect is a defect: (1) which is done in violation of law and which adversely impacts the structural integrity or safety, or materially affects the fair market value, of the residence, an appurtenance or the real property to which the residence or appurtenance is affixed; (2) which proximately causes physical damage to the residence, an appurtenance or the real property to which the residence or appurtenance is affixed; (3) which is not completed in a good and workmanlike manner in accordance with the generally accepted standard of care in the industry for that type of design, construction, manufacture, repair or landscaping; or (4) which presents an unreasonable risk of injury to a person or property.**

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

Section 1. Chapter 40 of NRS is hereby amended by adding thereto a new section to read as follows:

1. ~~{With}~~ Except as otherwise provided in this subsection, with respect to a claim governed by this section and NRS 40.600 to 40.695, inclusive, a controlling party shall not enter into any indemnification agreement with, or seek indemnification for a constructional defect from , a subcontractor, supplier, design professional or any other person providing a service for a development project. A controlling party may enter into an indemnification agreement with a subcontractor, supplier, design professional or any other person providing a service for a development project and may enforce that indemnification agreement to the extent that the underlying injury or damage is attributable to the negligent or otherwise wrongful act or omission, including, without limitation, breach of a specific contractual duty, of the promisor or the promisor's independent contractors, agents, employees or delegates.

2. With respect to a claim governed by this section and NRS 40.600 to 40.695, inclusive, any provision of a contract or subcontract, any indemnification clause or agreement and any provision or clause of an agreement requiring a person to add another person as an additional insured in a policy of insurance that causes or is intended to cause any person to be responsible for the actions of another person is against public policy and is void and unenforceable.

3. ~~{Any cross claim between a controlling party and a subcontractor, supplier, design professional or any other person providing a service for a development project, or between any subcontractor, supplier, design professional or any other person providing a service for a development project and any other subcontractor, supplier, design professional or other person providing a service for a development project, which arises in the context of a claim governed by this section and NRS 40.600 to 40.695, inclusive;~~

~~—(a) Is governed only by the Nevada Rules of Civil Procedure; and~~

~~—(b) Is not governed by this section and NRS 40.600 to 40.695, inclusive.~~

~~4.~~ Any provision of a contract or subcontract, any indemnification clause or agreement and any provision or clause of an agreement requiring a person to add another person as an additional insured in a policy of insurance which is void and unenforceable pursuant to this section is void and unenforceable only to the extent provided in this section, and the remainder of the provision, clause or agreement is enforceable, unless the provision, clause or agreement cannot, standing alone, be given legal effect.

~~{5.}~~ 4. As used in this section:

(a) "Controlling party" means any person that:

(1) Is responsible for the planning, oversight, supervision, management or selection of the design professionals or the first-tier subcontractors for a development project; or

(2) Receives, or controls the allocation of, the receipts or profits for a development project.

(b) “Development project” means the design, construction, manufacture, repair or landscaping of a new residence, of an alteration of or addition to an existing residence, or of an appurtenance.

Sec. 2. NRS 40.600 is hereby amended to read as follows:

40.600 As used in NRS 40.600 to 40.695, inclusive, **and section 1 of this act**, unless the context otherwise requires, the words and terms defined in NRS 40.603 to 40.634, inclusive, have the meanings ascribed to them in those sections.

Sec. 2.5. NRS 40.615 is hereby amended to read as follows:

40.615 “Constructional defect” means a defect in the design, construction, manufacture, repair or landscaping of a new residence, of an alteration of or addition to an existing residence, or of an appurtenance and includes, without limitation, the design, construction, manufacture, repair or landscaping of a new residence, of an alteration of or addition to an existing residence, or of an appurtenance:

1. Which is done in violation of law, including, without limitation, in violation of local codes or ordinances ~~1-4~~, **and which:**

(a) Adversely impacts the structural integrity or safety of the residence, an appurtenance or the real property to which the residence or appurtenance is affixed; or

(b) Materially affects the fair market value of the residence, an appurtenance or the real property to which the residence or appurtenance is affixed;

2. Which proximately causes physical damage to the residence, an appurtenance or the real property to which the residence or appurtenance is affixed;

3. Which is not completed in a good and workmanlike manner in accordance with the generally accepted standard of care in the industry for that type of design, construction, manufacture, repair or landscaping; or

4. Which presents an unreasonable risk of injury to a person or property.

Sec. 3. NRS 40.635 is hereby amended to read as follows:

40.635 NRS 40.600 to 40.695, inclusive ~~1-4~~, **and section 1 of this act:**

1. Apply to any claim that arises before, on or after July 1, 1995, as the result of a constructional defect, except a claim for personal injury or wrongful death, if the claim is the subject of an action commenced on or after July 1, 1995.

2. Prevail over any conflicting law otherwise applicable to the claim or cause of action.

3. Do not bar or limit any defense otherwise available, except as otherwise provided in those sections.

4. Do not create a new theory upon which liability may be based, except as otherwise provided in those sections.

Sec. 4. This act applies to any claim for which a notice is filed pursuant to NRS 40.645 on or after October 1, 2013.

Sec. 5. ~~1. There is hereby appropriated from the State General Fund to the Legislative Fund the sum of \$150,000 for the purpose of contracting with a consultant to conduct a study of the effect of indemnification clauses in construction contracts on the litigation of claims relating to defects in residential construction.~~

~~2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2015, and any portion of the appropriated money remaining must not be spent for any purpose after September 18, 2015, and must be reverted to the State General Fund on or before September 18, 2015.~~ **(Deleted by amendment.)**

Assemblywoman Carlton moved the adoption of the amendment.

Remarks by Assemblywoman Carlton.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Horne moved that Senate Bills Nos. 3 and 374 be taken from their positions on the General File and placed at the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 3.

Bill read third time.

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

Amendment No. 950.

SUMMARY—~~Provides the maximum amount of money that a county may be required to pay.~~ **Revises provisions relating to payments by counties** for certain medical assistance to indigent persons. (BDR 38-263)

AN ACT relating to indigent persons; ~~providing the maximum amount that a county may be required to pay.~~ **revising provisions relating to payments by certain smaller counties** for certain medical assistance to indigent persons; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the board of county commissioners of each county is required to establish a tax rate of at least 6 cents and not more than 10 cents on each \$100 of assessed valuation for deposit into a fund for medical assistance to indigent persons. Existing law designates the equivalent of 1 cent of the amount collected to be credited to the Supplemental Account for Medical Assistance to Indigent Persons. (NRS 428.275, 428.285) This bill requires ~~each~~ a board of county commissioners in a county whose population is less than 100,000 (currently all counties other than Clark County and Washoe County) to remit money ~~(from its fund for medical assistance to indigent persons)~~ to the State Controller in an amount determined by the Director of the Department of Health and Human Services to be adequate to include in the State Plan for Medicaid the payment of the nonfederal share of certain expenditures relating to long-term care. In addition, this bill limits the amount that such counties may be required to remit to not more than the equivalent of the amount collected from 8 cents on each \$100 of assessed valuation of all taxable property in the county.

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

Section 1. (Deleted by amendment.)

Sec. 2. NRS 428.285 is hereby amended to read as follows:

428.285 1. The board of county commissioners of each county shall establish a tax rate of at least 6 cents on each \$100 of assessed valuation for the purposes of the tax imposed pursuant to subsection 2. A board of county commissioners may increase the rate to not more than 10 cents on each \$100 of assessed valuation.

2. In addition to the levies provided in NRS 428.050 and 428.185 and any tax levied pursuant to NRS 450.425, the board of county commissioners shall levy a tax ad valorem at a rate necessary to produce revenue in an amount equal to an amount calculated by multiplying the assessed valuation of all taxable property in the county by the tax rate established pursuant to subsection 1, and subtracting from the product the amount of unencumbered money remaining in the fund on May 1 of the current fiscal year.

3. For each fiscal year beginning on or after July 1, 1989, the board of county commissioners of each county shall remit to the State Controller from the money in the fund an amount of money equivalent to *the amount collected from* 1 cent on each \$100 of assessed valuation of all taxable property in the county for credit to the Supplemental Account.

4. For each fiscal year beginning on or after July 1, 2013, in a county whose population is less than 100,000, the board of county commissioners

~~for each county~~ shall, pursuant to an interlocal agreement with the State, remit to the State Controller ~~from the money in the fund~~ an amount of money determined by the Director of the Department of Health and Human Services to be adequate for the State Plan for Medicaid to include the payment of the nonfederal share of expenditures set forth in NRS 422.272. ~~The~~ In such a county, the amount of money that ~~for~~ the board of county commissioners may be required to remit, as determined by the Director pursuant to this subsection, must not exceed an amount of money equivalent to the amount collected from 8 cents on each \$100 of assessed valuation of all taxable property in the county.

5. The tax so levied and its proceeds must be excluded in computing the maximum amount of money which the county is permitted to receive from taxes ad valorem and the highest permissible rate of such taxes.

Sec. 3. 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.

Senate Bill No. 374.

Bill read third time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 961.

SENATORS SEGERBLOM, ~~H~~ HUTCHISON, AND MANENDO

SUMMARY—Provides for the registration of medical marijuana establishments authorized to cultivate or dispense marijuana or manufacture edible marijuana products ~~containing marijuana~~ or marijuana-infused products for sale to persons authorized to engage in the medical use of marijuana. (BDR 15-89)

AN ACT relating to medical marijuana; making it a crime to counterfeit or forge, or attempt to counterfeit or forge, a registry identification card for the medical use of marijuana; making it a crime for a person to grow, harvest or process more than 12 marijuana plants; providing for the registration of medical marijuana establishments authorized to cultivate or dispense marijuana or manufacture edible marijuana products ~~containing marijuana~~ or marijuana-infused products for sale to persons authorized to engage in the medical use of marijuana; providing for the registration of agents who are employed by or volunteer at medical marijuana establishments; setting forth the manner in which such establishments must register and operate; creating the Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice; requiring the Health Division of the

Department of Health and Human Services to adopt regulations; imposing an excise tax on each sale of marijuana, edible marijuana products and marijuana-infused products; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the State of Nevada provides immunity from state and local prosecution for possessing, delivering and producing marijuana in certain limited amounts for patients with qualifying medical conditions, and their designated primary caregivers, who apply to and receive from the Health Division of the Department of Health and Human Services a registry identification card. Existing law does not specify the manner in which qualifying patients and their designated primary caregivers are to obtain marijuana. (Chapter 453A of NRS)

~~[This bill: (1) states that it is an unlawful act, punishable as a category E felony, to forge, counterfeit or attempt to forge or counterfeit a registry identification card; (2) provides for the registration of medical marijuana establishments, the three types of which are cultivation facilities, facilities for the production of edible marijuana products and medical marijuana dispensaries; (3) provides for the registration of medical marijuana establishment agents; (4) sets forth the crimes and acts which disqualify a person from serving as the owner, officer, board member or agent of such an establishment; (5) enumerates the acts for which a medical marijuana establishment registration certificate and a medical marijuana establishment agent registration card are immediately revocable; (6) establishes that it is a privilege and not a right to hold a medical marijuana establishment registration certificate or a medical marijuana establishment agent registration card; (7) sets forth the maximum fees which may be charged by the Health Division for the initial issuance and renewal of such certificates and cards; (8) sets forth the basic requirements for operating a medical marijuana establishment; and (9) directs the Health Division to adopt necessary regulations. This bill also increases the amounts of usable marijuana and live marijuana plants that a holder of a registry identification card and his or her designated primary caregiver are allowed to possess at any one time, matching the amounts allowed under the laws of the State of Arizona. This bill further authorizes the Director of the Department of Health and Human Services to request a temporary advance from the State General Fund to pay the costs of carrying out the registration requirements of this bill until sufficient revenues from registration fees are collected.]~~

Section 1 of this bill makes it a crime, punishable as a category E felony, for a person to counterfeit or forge or attempt to counterfeit or forge a registry identification card, which is the instrument that indicates a bearer is entitled to engage in the medical use of marijuana.

Section 1.7 of this bill makes it a crime, punishable as a category E felony, for a person to grow, harvest or process more than 12 marijuana plants, and also makes such a person liable for costs of cleanup and disposal.

Sections 3.5, 7.3, 7.5, 8 and 8.3 of this bill define what is meant by a “medical marijuana establishment,” which includes: (1) cultivation facilities; (2) facilities for the production of edible marijuana products or marijuana-infused products; (3) independent testing laboratories; and (4) medical marijuana dispensaries.

Section 1.4 of this bill creates the Subcommittee on the Medical Use of Marijuana of the Advisory Commission on the Administration of Justice. The Subcommittee is tasked with considering, evaluating, reviewing and reporting on the medical use of marijuana, the dispensation of marijuana for medical use and laws providing for the dispensation of marijuana for medical use.

Sections 10-11.7 of this bill set forth the manner in which a person may apply to obtain a registration certificate to operate a medical marijuana establishment. Section 10 mandates background checks for persons proposed to be owners, officers or board members of medical marijuana establishments, and requires such establishments to be sited at least 1,000 feet from existing schools and at least 300 feet from certain existing community facilities. Section 10.5 requires that medical marijuana establishments be located in accordance with local governmental ordinances on zoning and land use, and be professional in appearance. Section 11 limits, by the size of the population of each county, the number of medical marijuana establishments that may be certified in each county, and also limits the Division to accepting applications for the certification of the establishments to not more than 10 business days in any one calendar year. Section 11.5 imposes limits to prevent the overconcentration of medical marijuana establishments in one part of a county and to prevent situations of ownership that are geographically monopolistic. Section 11.7 sets forth the merit-based criteria to be used by the Health Division of the Department of Health and Human Services in determining whether to issue a registration certificate for the operation of a medical marijuana establishment, including such criteria as financial solvency, experience in running businesses, knowledge of medical marijuana and financial contributions by way of the payment of taxes or otherwise to the State of Nevada and its political subdivisions.

Section 13 of this bill sets forth the procedure to apply for a medical marijuana establishment agent registration card, including background checks, and specifies that the application shall be deemed conditionally

approved if the Division does not act upon the application within 30 days, but the conditional approval is limited to the period until such time as the Division acts upon the application.

Section 12 of this bill provides the maximum fees to be charged by the Division for the initial issuance and renewal of medical marijuana establishment registration certificates and medical marijuana establishment agent registration cards. Section 12 also imposes, in the case of applications to operate a medical marijuana establishment, a nonrefundable application fee of \$5,000. Section 13.5 states that the registration certificates and registration cards are nontransferable.

Sections 14 and 15 of this bill, in accordance with federal law, outline the procedure for the suspension of medical marijuana establishment registration certificates and medical marijuana establishment agent registration cards in the event that the holder fails to comply with certain requirements pertaining to the payment of child support. Sections 16 and 17 of this bill set forth the acts that are immediate grounds for the Division to revoke a registration certificate or registration card. Section 18 of this bill provides that it is a privilege to hold a registration certificate or registration card and holding such an instrument conveys no vested rights.

Section 19 of this bill sets forth requirements for the secure and lawful operation of medical marijuana establishments. Sections 19.1 and 19.2 of this bill, respectively, require medical marijuana establishments to maintain an electronic verification system and an inventory control system. Both systems are intended to work together to ensure that marijuana cultivated for medical use is dispensed only in accordance with chapter 453A of NRS and only to persons authorized to engage in the medical use of marijuana.

Sections 19.3 and 20 of this bill require medical marijuana dispensaries to use an independent testing laboratory to ensure that the products sold to end users are tested for content, quality and potency. Section 19.4 of this bill sets forth that medical marijuana establishments are to use certain security protocols.

Sections 19.5 and 24.9 of this bill provide for the dispensation of marijuana and related products to persons who are not residents of this State. From April 1, 2014, through March 31, 2016, a nonresident purchaser must sign an affidavit attesting to the fact that he or she is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residency. On and after April 1, 2016, the requirement for such an affidavit is replaced by computer cross-checking between the State of Nevada and other jurisdictions.

Sections 19.6, 22.35, 22.4 and 22.45 of this bill allow a registry identification cardholder and his or her designated primary caregiver, if any, to choose a particular medical marijuana dispensary to be his or her designated medical marijuana dispensary. The designation of a medical marijuana dispensary may be changed not more than once every 30 days.

Section 19.7 of this bill requires that marijuana, edible marijuana products and marijuana-infused products be labeled and packaged in a safe manner.

Section 19.8 of this bill allows the seizure of certain property possessed by a medical marijuana establishment under certain strictly prescribed circumstances.

Section 19.9 of this bill requires the Division to prescribe standards for the operation of independent testing laboratories.

Section 20 of this bill authorizes the Division to adopt any regulations the Division determines to be necessary or advisable to carry out the program of dispensing marijuana and related products to persons authorized by law to engage in the medical use of marijuana.

Sections 22 and 22.3 of this bill increase the amounts of marijuana, edible marijuana products and marijuana-infused products that may be possessed collectively by a registry identification cardholder and his or her designated primary caregiver, if any. The increased amounts are derived, in substantial part, from the limits established by the State of Arizona. Sections 22 and 22.3 also provide a 2-year period, beginning on April 1, 2014, and ending on March 31, 2016, during which persons who are authorized to engage in the medical use of marijuana and who were cultivating, growing or producing marijuana on or before July 1, 2013, are “grandfathered” to continue such activity until March 31, 2016. On and after April 1, 2016, self-cultivation, self-growing and self-production is prohibited unless the person engaging in such activity qualifies for one of the compassionate exceptions from the prohibition, including illness that precludes travel to a medical marijuana dispensary, and the lack of a medical marijuana dispensary within 25 miles of the person’s residence.

Section 22.4 of this bill stipulates that a registry identification card must indicate whether or not the holder is authorized to engage in the self-cultivation, self-growing or self-production of marijuana for medical purposes.

Section 24 of this bill reduces by 50 percent the fees currently charged by the Division to provide an applicant with an application for a registry identification card, and to process the application and issue the card.

Section 24.4 of this bill: (1) imposes an excise tax of 2 percent on each wholesale sale of marijuana, edible marijuana products and marijuana-infused products between medical marijuana establishments; (2) imposes an excise tax of 2 percent on the retail sale of marijuana and such products from a medical marijuana dispensary to an end user; and (3) makes clear that the 2 percent excise tax on retail sales is in addition to the state and local sales and use taxes that are otherwise imposed on the sale of tangible personal property.

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

Section 1. Chapter 207 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *It is unlawful for any person to counterfeit or forge or attempt to counterfeit or forge a registry identification card.*

2. *Any person who violates the provisions of subsection 1 is guilty of a category E felony and shall be punished as provided in NRS 193.130.*

3. *As used in this section, “registry identification card” has the meaning ascribed to it in NRS 453A.140.*

Sec. 1.3. NRS 207.360 is hereby amended to read as follows:

207.360 “Crime related to racketeering” means the commission of, attempt to commit or conspiracy to commit any of the following crimes:

1. Murder;
2. Manslaughter, except vehicular manslaughter as described in NRS 484B.657;
3. Mayhem;
4. Battery which is punished as a felony;
5. Kidnapping;
6. Sexual assault;
7. Arson;
8. Robbery;
9. Taking property from another under circumstances not amounting to robbery;
10. Extortion;
11. Statutory sexual seduction;
12. Extortionate collection of debt in violation of NRS 205.322;
13. Forgery;
14. Any violation of NRS 199.280 which is punished as a felony;
15. Burglary;
16. Grand larceny;
17. Bribery or asking for or receiving a bribe in violation of chapter 197 or 199 of NRS which is punished as a felony;

18. Battery with intent to commit a crime in violation of NRS 200.400;
19. Assault with a deadly weapon;
20. Any violation of NRS 453.232, 453.316 to 453.3395, inclusive, **except a violation of section 1.7 of this act**, or **NRS** 453.375 to 453.401, inclusive;
21. Receiving or transferring a stolen vehicle;
22. Any violation of NRS 202.260, 202.275 or 202.350 which is punished as a felony;
23. Any violation of subsection 2 or 3 of NRS 463.360 or chapter 465 of NRS;
24. Receiving, possessing or withholding stolen goods valued at \$650 or more;
25. Embezzlement of money or property valued at \$650 or more;
26. Obtaining possession of money or property valued at \$650 or more, or obtaining a signature by means of false pretenses;
27. Perjury or subornation of perjury;
28. Offering false evidence;
29. Any violation of NRS 201.300 or 201.360;
30. Any violation of NRS 90.570, 91.230 or 686A.290, or insurance fraud pursuant to NRS 686A.291;
31. Any violation of NRS 205.506, 205.920 or 205.930;
32. Any violation of NRS 202.445 or 202.446; or
33. Any violation of NRS 205.377.

Sec. 1.4. Chapter 176 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There is hereby created the Subcommittee on the Medical Use of Marijuana of the Commission.

2. The Chair of the Commission shall appoint the members of the Subcommittee. The Subcommittee must consist of legislative and nonlegislative members, including, without limitation:

(a) At least four Legislators, who may or may not be members of the Commission.

(b) A representative of the Health Division of the Department of Health and Human Services.

(c) A patient who holds a valid registry identification card to engage in the medical use of marijuana pursuant to chapter 453A of NRS.

(d) An owner or operator of a cultivation facility that is certified to operate pursuant to chapter 453A of NRS.

(e) An owner or operator of a facility for the production of edible marijuana products or marijuana-infused products that is certified to operate pursuant to chapter 453A of NRS.

(f) An owner or operator of a medical marijuana dispensary that is certified to operate pursuant to chapter 453A of NRS.

(g) A representative of the Attorney General.

(h) A representative of a civil liberties organization.

(i) A representative of an organization which advocates for persons who use marijuana for medicinal purposes.

(j) A representative of a law enforcement agency located within the jurisdiction of Clark County.

(k) A representative of a law enforcement agency located within the jurisdiction of Washoe County.

(l) A representative of local government.

3. The Chair of the Commission shall designate one of the legislative members of the Commission as Chair of the Subcommittee.

4. The Subcommittee shall meet at the times and places specified by a call of the Chair. A majority of the members of the Subcommittee constitutes a quorum, and a quorum may exercise any power or authority conferred on the Subcommittee.

5. The Subcommittee shall:

(a) Consider issues concerning the medical use of marijuana, the dispensation of marijuana for medical use and the implementation of provisions of law providing for the dispensation of marijuana for medical use; and

(b) Evaluate, review and submit a report to the Commission with recommendations concerning such issues.

6. Any Legislators who are members of the Subcommittee are entitled to receive the salary provided for a majority of the members of the Legislature during the first 60 days of the preceding session for each day's attendance at a meeting of the Subcommittee.

7. While engaged in the business of the Subcommittee, to the extent of legislative appropriation, each member of the Subcommittee is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

Sec. 1.45. NRS 176.0121 is hereby amended to read as follows:

176.0121 As used in NRS 176.0121 to 176.0129, inclusive, **and section 1.4 of this act**, "Commission" means the Advisory Commission on the Administration of Justice.

Sec. 1.5. NRS 391.311 is hereby amended to read as follows:

391.311 As used in NRS 391.311 to 391.3197, inclusive, unless the context otherwise requires:

1. "Administrator" means any employee who holds a license as an administrator and who is employed in that capacity by a school district.

2. "Board" means the board of trustees of the school district in which a licensed employee affected by NRS 391.311 to 391.3197, inclusive, is employed.

3. "Demotion" means demotion of an administrator to a position of lesser rank, responsibility or pay and does not include transfer or reassignment for purposes of an administrative reorganization.

4. "Immorality" means:

(a) An act forbidden by NRS 200.366, 200.368, 200.400, 200.508, 201.180, 201.190, 201.210, 201.220, 201.230, 201.265, 201.540, 201.560, 207.260, 453.316 to 453.336, inclusive, except an act forbidden by section 1.7 of this act, NRS 453.337, 453.338, 453.3385 to 453.3405, inclusive, 453.560 or 453.562; or

(b) An act forbidden by NRS 201.540 or any other sexual conduct or attempted sexual conduct with a pupil enrolled in an elementary or secondary school. As used in this paragraph, "sexual conduct" has the meaning ascribed to it in NRS 201.520.

5. "Postprobationary employee" means an administrator or a teacher who has completed the probationary period as provided in NRS 391.3197 and has been given notice of reemployment. The term does not include a person who is deemed to be a probationary employee pursuant to NRS 391.3129.

6. "Probationary employee" means:

(a) An administrator or a teacher who is employed for the period set forth in NRS 391.3197; and

(b) A person who is deemed to be a probationary employee pursuant to NRS 391.3129.

7. "Superintendent" means the superintendent of a school district or a person designated by the board or superintendent to act as superintendent during the absence of the superintendent.

8. "Teacher" means a licensed employee the majority of whose working time is devoted to the rendering of direct educational service to pupils of a school district.

Sec. 1.7. Chapter 453 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person shall not knowingly or intentionally manufacture, grow, plant, cultivate, harvest, dry, propagate or process marijuana, except as specifically authorized by the provisions of this chapter or chapter 453A of NRS.

2. Unless a greater penalty is provided in NRS 453.339, a person who violates subsection 1, if the quantity involved is more than 12 marijuana plants, irrespective of whether the marijuana plants are mature or immature, is guilty of a category E felony and shall be punished as provided in NRS 193.130.

3. In addition to any punishment imposed pursuant to subsection 2, the court shall order a person convicted of a violation of subsection 1 to pay all costs associated with any necessary cleanup and disposal related to the manufacturing, growing, planting, cultivation, harvesting, drying, propagation or processing of the marijuana.

Sec. 2. Chapter 453A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 20, inclusive, of this act.

Sec. 3. “Crime of violence” means any felony:

1. Involving the use or threatened use of force or violence against the person or property of another; or

2. For which there is a substantial risk that force or violence may be used against the person or property of another in the commission of the felony.

Sec. 3.5. “Cultivation facility” means a business that:

1. Is registered with the Division pursuant to section 10 of this act; and

2. Acquires, possesses, cultivates, delivers, transfers, transports, supplies or sells marijuana and related supplies to:

(a) Medical marijuana dispensaries;

(b) Facilities for the production of edible marijuana products ~~that~~ or marijuana-infused products; or

(c) Other cultivation facilities.

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 5.3. “Edible marijuana products” means products that:

1. Contain marijuana or an extract thereof;

2. Are intended for human consumption ~~that~~ by oral ingestion; and

3. Are presented in the form of foodstuffs, extracts, oils, tinctures and other similar products.

Sec. 5.5. “Electronic verification system” means an electronic database that:

1. Keeps track of data in real time; and

2. Is accessible by the Division and by registered medical marijuana establishments.

Sec. 6. “Enclosed, locked facility” means a closet, display case, room, greenhouse or other enclosed area that meets the requirements of section 19.4 of this act and is equipped with locks or other security devices which allow access only by a medical marijuana establishment agent and the holder of a valid registry identification card.

Sec. 7. 1. “Excluded felony offense” means:

(a) A crime of violence; or

(b) A violation of a state or federal law pertaining to controlled substances, if the law was punishable as a felony in the jurisdiction where the person was convicted.

2. The term does not include:

(a) A criminal offense for which the sentence, including any term of probation, incarceration or supervised release, was completed ~~within the~~ more than 10 ~~previous~~ years ~~or~~ before; or

(b) An offense involving conduct that would be immune from arrest, prosecution or penalty pursuant to sections 10 to 20, inclusive, of this act, except that the conduct occurred before ~~January~~ April 1, 2014, or was prosecuted by an authority other than the State of Nevada.

Sec. 7.3. “Facility for the production of edible marijuana products ~~or~~ or marijuana-infused products” means a business that:

1. Is registered with the Division pursuant to section 10 of this act; and
2. Acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells edible marijuana products or marijuana-infused products to medical marijuana dispensaries.

Sec. 7.5. “Independent testing laboratory” means a facility described in section 19.9 of this act.

Sec. 7.7. “Inventory control system” means a process, device or other contrivance that may be used to monitor the chain of custody of marijuana used for medical purposes from the point of cultivation to the end consumer.

Sec. 7.9. 1. “Marijuana-infused products” means products that:

- (a) Are infused with marijuana or an extract thereof; and
- (b) Are intended for use or consumption by humans through means other than inhalation or oral ingestion.

2. The term includes, without limitation, topical products, ointments, oils and tinctures.

Sec. 8. “Medical marijuana dispensary” means a business that:

1. Is registered with the Division pursuant to section 10 of this act; and
2. Acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to the holder of a valid registry identification card.

Sec. 8.3. “Medical marijuana establishment” means:

1. An independent testing laboratory;
2. A cultivation facility;
- ~~2.3.~~ 3. A facility for the production of edible marijuana products ~~or~~ or marijuana-infused products;
4. A medical marijuana dispensary; or

~~4.1.5.~~ 5. A business that has registered with the Division and paid the requisite fees to act as more than one of the types of businesses listed in subsections ~~4.1.2, 4.1.3 and~~ 2, 3 and 4.

Sec. 8.5. “Medical marijuana establishment agent” means an owner, officer, board member, employee or volunteer of a medical marijuana establishment.

Sec. 8.6. “Medical marijuana establishment agent registration card” means a registration card that is issued by the Division pursuant to section 13 of this act to authorize a person to volunteer or work at a medical marijuana establishment.

Sec. 8.7. “Medical marijuana establishment registration certificate” means a registration certificate that is issued by the Division pursuant to section 10 of this act to authorize the operation of a medical marijuana establishment.

Sec. 8.8. “THC” means delta-9-tetrahydrocannabinol, which is the primary active ingredient in marijuana.

Sec. 9. (Deleted by amendment.)

Sec. 10. 1. Each medical marijuana establishment must register with the Division.

2. A person who wishes to operate a medical marijuana establishment ~~is~~

~~(a) Must~~ must submit to the Division an application on a form prescribed by the Division. ~~It and~~

~~(b) Must have been a resident of the State of Nevada for at least 3 years immediately preceding the date on which he or she submits the application.~~

3. Except as otherwise provided in sections 11, 11.5, 11.7 and 16 of this act, not later than 90 days after receiving an application to operate a medical marijuana establishment, the Division shall register the medical marijuana establishment and issue a medical marijuana establishment registration certificate and a random 20-digit alphanumeric identification number if:

(a) The person who wishes to operate the proposed medical marijuana establishment has submitted to the Division all of the following:

(1) The application fee, as set forth in section 12 of this act;

(2) An application, which must include:

(I) The legal name of the proposed medical marijuana establishment;

(II) The physical address where the proposed medical marijuana establishment will be located and the physical address of any co-owned additional or otherwise associated medical marijuana establishments, the locations of which may not be within 1,000 feet of a public or private

school that provides formal education traditionally associated with preschool or kindergarten through grade 12 ~~for~~ and that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the Division, or within 300 feet of a community facility that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the Division;

(III) Evidence that the applicant controls not less than ~~(\$150,000)~~ \$250,000 in liquid assets to cover the initial expenses of opening the proposed medical marijuana establishment and complying with the provisions of sections 10 to 20, inclusive, of this act;

(IV) Evidence that the applicant owns the property on which the proposed medical marijuana establishment will be located or has the written permission of the property owner to operate the proposed medical marijuana establishment on that property;

(V) For the applicant and each person who ~~will~~ is proposed to be an owner, officer or board member of the proposed medical marijuana establishment, a complete set of the person's fingerprints and written permission of the person authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(VI) The name, address and date of birth of each person who ~~will~~ is proposed to be an owner, officer or board member of the proposed medical marijuana establishment; and

(VII) The name, address and date of birth of each person who ~~will~~ is proposed to be employed by or otherwise provide labor at the proposed medical marijuana establishment as a medical marijuana establishment agent;

(3) Operating procedures consistent with rules of the Division for oversight of the proposed medical marijuana establishment, including, without limitation:

(I) Procedures to ensure the use of adequate security measures; and

(II) The use of an electronic verification system and an inventory control system, pursuant to sections 19.1 and 19.2 of this act;

(4) If the proposed medical marijuana establishment will sell or deliver edible marijuana products ~~for~~ or marijuana-infused products, proposed operating procedures for handling such products which must be preapproved by the Division;

(5) If the city, town or county in which the proposed medical marijuana establishment will be located has enacted zoning restrictions, ~~for sworn statement~~ proof of licensure with the applicable local governmental authority or a letter from the applicable local governmental authority

certifying that the proposed medical marijuana establishment is in compliance with those restrictions ~~and~~ and satisfies all applicable building requirements; and

(6) Such other information as the Division may require by regulation;

(b) None of the persons who ~~would~~ are proposed to be owners, officers or board members of the proposed medical marijuana establishment have been convicted of an excluded felony offense;

(c) None of the persons who ~~would~~ are proposed to be owners, officers or board members of the proposed medical marijuana establishment have:

(1) Served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked; or

(2) Previously had a medical marijuana establishment agent registration card revoked; and

(d) None of the persons who ~~would~~ are proposed to be owners, officers or board members of the proposed medical marijuana establishment are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who ~~would~~ is proposed to be an owner, officer or board member of a proposed medical marijuana establishment, the Division shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of that person.

5. ~~##~~ Except as otherwise provided in subsection 6, if an application for registration as a medical marijuana establishment satisfies the requirements of this section and the establishment is not disqualified from being registered as a medical marijuana establishment pursuant to this section or other applicable law, the Division shall issue to the establishment a medical marijuana establishment registration certificate. A medical marijuana establishment registration certificate expires 1 year after the date of issuance and may be renewed upon:

(a) Resubmission of the information set forth in this section; and

(b) Payment of the renewal fee set forth in section 12 of this act.

6. In determining whether to issue a medical marijuana establishment registration certificate pursuant to this section, the Division shall consider the criteria of merit set forth in section 11.7 of this act.

7. As used in this section, “community facility” means:

(a) A facility that provides day care to children.

(b) A public park.

(c) A playground.

(d) A public swimming pool.

(e) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(f) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.

Sec. 10.5. Each medical marijuana establishment must:

1. Be located in a separate building or facility ~~that~~ that is located in a commercial or industrial zone or overlay;

2. Comply with all local ~~zoning~~ ordinances and rules ~~that~~ pertaining to zoning, land use and signage;

3. Have an appearance, both as to the interior and exterior, that is professional, orderly, dignified and consistent with the traditional style of pharmacies and medical offices; and

4. Have discreet and professional signage that is consistent with the traditional style of signage for pharmacies and medical offices.

Sec. 11. 1. Except as otherwise provided in this section ~~that~~ and section 11.5 of this act, the Division shall issue medical marijuana establishment registration certificates for medical marijuana dispensaries in the following quantities for applicants who qualify pursuant to section 10 of this act:

(a) In a county whose population is 700,000 or more, 40 certificates;

(b) In a county whose population is 100,000 or more but less than 700,000, 10 certificates;

(c) In a county whose population is 55,000 or more but less than 100,000, 2 certificates; and

(d) In each other county, 1 certificate.

2. Notwithstanding the provisions of subsection 1, the Division shall not issue medical marijuana establishment registration certificates for medical marijuana dispensaries in such a quantity as to cause the existence within the applicable county of more than one medical marijuana dispensary for every 10 pharmacies that have been licensed in the county pursuant to chapter 639 of NRS. The Division may issue medical marijuana establishment registration certificates for medical marijuana dispensaries in excess of the ratio otherwise allowed pursuant to this subsection if to do so is necessary to ensure that the Division issues at least one medical marijuana establishment registration certificate in each county of this State in which the Division has approved an application for such an establishment to operate.

3. With respect to medical marijuana establishments that are not medical marijuana dispensaries, the Division shall determine the appropriate number of such establishments as are necessary to serve and supply the medical marijuana dispensaries to which the Division has granted medical marijuana establishment registration certificates.

4. *The Division shall not, for more than a total of 10 business days in any 1 calendar year, accept applications to operate medical marijuana establishments.*

Sec. 11.5. 1. Except as otherwise provided in this subsection, in a county whose population is 100,000 or more, the Division shall ensure that not more than 25 percent of the total number of medical marijuana dispensaries that may be certified in the county, as set forth in section 11 of this act, are located in any one local governmental jurisdiction within the county. The board of county commissioners of the county may increase the percentage described in this subsection if it determines that to do so is necessary to ensure that the more populous areas of the county have access to sufficient distribution of marijuana for medical use.

2. To prevent monopolistic practices, the Division shall ensure, in a county whose population is 400,000 or more, that it does not issue, to any one person, group of persons or entity, the greater of:

(a) One medical marijuana establishment registration certificate; or

(b) More than 10 percent of the medical marijuana establishment registration certificates otherwise allocable in the county.

3. In a local governmental jurisdiction that issues business licenses, the issuance by the Division of a medical marijuana establishment registration certificate shall be deemed to be provisional until such time as:

(a) The establishment is in compliance with all applicable local governmental ordinances or rules; and

(b) The local government has issued a business license for the operation of the establishment.

4. As used in this section, "local governmental jurisdiction" means a city, town, township or unincorporated area within a county.

Sec. 11.7. In determining whether to issue a medical marijuana establishment registration certificate pursuant to section 10 of this act, the Division shall, in addition to the factors set forth in that section, consider the following criteria of merit:

1. The total financial resources of the applicant, both liquid and illiquid;

2. The previous experience of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment at operating other businesses or nonprofit organizations;

3. The educational achievements of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment;

4. Any demonstrated knowledge or expertise on the part of the persons who are proposed to be owners, officers or board members of the proposed

medical marijuana establishment with respect to the compassionate use of marijuana to treat medical conditions;

5. Whether the proposed location of the proposed medical marijuana establishment would be convenient to serve the needs of persons who are authorized to engage in the medical use of marijuana;

6. The likely impact of the proposed medical marijuana establishment on the community in which it is proposed to be located;

7. The adequacy of the size of the proposed medical marijuana establishment to serve the needs of persons who are authorized to engage in the medical use of marijuana;

8. Whether the applicant has an integrated plan for the care, quality and safekeeping of medical marijuana from seed to sale;

9. The amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada or its political subdivisions by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment; and

10. Any other criteria of merit that the Division determines to be relevant.

Sec. 12. 1. Except as otherwise provided in subsection 2, the Division shall collect not more than the following maximum fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....	~~(\$20,000)~~ <u>\$30,000</u>
For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....	5,000
For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility	3,000
For the renewal of a medical marijuana establishment registration certificate for a cultivation facility	1,000
For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....	~~(\$2,000)~~ <u>3,000</u>
For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products.....	~~(\$750)~~ <u>1,000</u>
For the initial issuance of a medical marijuana establishment agent registration card	~~(\$500)~~ <u>75</u>

<i>For the renewal of a medical marijuana establishment agent registration card.....</i>	<i>~~500~~ 75</i>
<i><u>For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory</u></i>	<i><u>5,000</u></i>
<i><u>For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory</u></i>	<i><u>3,000</u></i>

2. In addition to the fees described in subsection 1, each applicant for a medical marijuana establishment registration certificate must pay to the Division:

- (a) A one-time, nonrefundable application fee of \$5,000; and
- (b) The actual costs incurred by the Division in processing the application, including, without limitation, conducting background checks.

3. Any revenue generated from the fees imposed pursuant to this section:

- (a) Must be expended first to pay the costs of the Division in carrying out the provisions of sections 10 to 20, inclusive of this act; and
- (b) If any excess revenue remains after paying the costs described in paragraph (a), such excess revenue must be paid over to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.

Sec. 13. 1. ~~1A~~ Except as otherwise provided in this section, a person shall not volunteer or work at a medical marijuana establishment as a medical marijuana establishment agent unless the person is registered with the Division pursuant to this section.

2. A medical marijuana establishment that wishes to retain as a volunteer or employ a medical marijuana establishment agent shall submit to the Division an application on a form prescribed by the Division. The application must be accompanied by:

- (a) The name, address and date of birth of the prospective medical marijuana establishment agent;
- (b) A statement signed by the prospective medical marijuana establishment agent pledging not to dispense or otherwise divert marijuana to any person who is not authorized to possess marijuana in accordance with the provisions of this chapter;
- (c) A statement signed by the prospective medical marijuana establishment agent asserting that he or she has not previously had a medical marijuana establishment agent registration card revoked;
- (d) A complete set of the fingerprints and written permission of the prospective medical marijuana establishment agent authorizing the

Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

- (e) The application fee, as set forth in section 12 of this act; and*
- (f) Such other information as the Division may require by regulation.*

3. A medical marijuana establishment shall notify the Division within 10 days after a medical marijuana establishment agent ceases to be employed by or volunteer at the medical marijuana establishment.

4. A person who:

- (a) Has been convicted of an excluded felony offense; or*
- (b) Is less than 21 years of age,*

↪ shall not serve as a medical marijuana establishment agent.

5. The Division shall submit the fingerprints of an applicant for registration as a medical marijuana establishment agent to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of the applicant.

6. The provisions of this section do not require a person who is an owner, officer or board member of a medical marijuana establishment to resubmit information already furnished to the Division at the time the establishment was registered with the Division.

7. If an applicant for registration as a medical marijuana establishment agent satisfies the requirements of this section and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the Division shall issue to the person a medical marijuana establishment agent registration card. If the Division does not act upon an application for a medical marijuana establishment agent registration card within 30 days after the date on which the application is received, the application shall be deemed conditionally approved until such time as the Division acts upon the application. A medical marijuana establishment agent registration card expires 1 year after the date of issuance and may be renewed upon:

- (a) Resubmission of the information set forth in this section; and*
- (b) Payment of the renewal fee set forth in section 12 of this act.*

Sec. 13.5. The following are nontransferable:

- 1. A medical marijuana establishment agent registration card.*
- 2. A medical marijuana establishment registration certificate.*

Sec. 14. 1. In addition to any other requirements set forth in this chapter, an applicant for the issuance or renewal of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate shall:

(a) Include the social security number of the applicant in the application submitted to the Division.

(b) Submit to the Division the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the medical marijuana establishment agent registration card or medical marijuana establishment registration certificate; or

(b) A separate form prescribed by the Division.

3. A medical marijuana establishment agent registration card or medical marijuana establishment registration certificate may not be issued or renewed by the Division if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Division shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 15. 1. If the Division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate, the Division shall deem the card or certificate issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Division receives a letter issued to the holder of the card or certificate by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the card or certificate has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. *The Division shall reinstate a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate that has been suspended by a district court pursuant to NRS 425.540 if the Division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose card or certificate was suspended stating that the person whose card or certificate was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.*

Sec. 16. *The following acts constitute grounds for immediate revocation of a medical marijuana establishment registration certificate:*

1. *Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment, a patient who holds a valid registry identification card or the designated primary caregiver of such a patient.*

2. *Acquiring usable marijuana or mature marijuana plants from any person other than a medical marijuana establishment agent, another medical marijuana establishment, a patient who holds a valid registry identification card or the designated primary caregiver of such a patient.*

3. *Violating a regulation of the Division, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment registration certificate.*

Sec. 17. *The following acts constitute grounds for the immediate revocation of the medical marijuana establishment agent registration card of a medical marijuana establishment agent:*

1. *Having committed or committing any excluded felony offense.*

2. *Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment, a patient who holds a valid registry identification card or the designated primary caregiver of such a patient.*

3. *Violating a regulation of the Division, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment agent registration card.*

Sec. 18. *The purpose for registering medical marijuana establishments and medical marijuana establishment agents is to protect the public health and safety and the general welfare of the people of this State. Any medical marijuana establishment registration certificate issued pursuant to section 10 of this act and any medical marijuana establishment agent registration card issued pursuant to section 13 of this act is a revocable privilege and the holder of such a certificate or card, as applicable, does not acquire thereby any vested right.*

Sec. 19. 1. *The operating documents of a medical marijuana establishment must include procedures:*

(a) For the oversight of the medical marijuana ~~[dispensary,]~~ establishment; and

(b) To ensure accurate recordkeeping, including, without limitation, the provisions of sections 19.1 and 19.2 of this act.

2. ~~{A}~~ Except as otherwise provided in this subsection, a medical marijuana establishment :

(a) That is a medical marijuana dispensary must have a single entrance for patrons, which must be secure, and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

(b) That is not a medical marijuana dispensary must have a single secure entrance and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

↪ The provisions of this subsection do not supersede any state or local requirements relating to minimum numbers of points of entry or exit, or any state or local requirements relating to fire safety.

3. A medical marijuana establishment is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying or dispensing marijuana for any purpose except to:

(a) Directly or indirectly assist patients who possess valid registry identification cards; and

(b) Assist patients who possess valid registry identification cards by way of those patients' designated primary caregivers.

↪ For the purposes of this subsection, a person shall be deemed to be a patient who possesses a valid registry identification card if he or she qualifies for nonresident reciprocity pursuant to section 19.5 of this act.

4. All cultivation or production of marijuana that a cultivation facility carries out or causes to be carried out must take place in an enclosed, locked facility at the physical address provided to the Division during the registration process for the cultivation facility. Such an enclosed, locked facility must be accessible only by medical marijuana establishment agents who are lawfully associated with the cultivation facility, except that limited access by persons necessary to perform construction or repairs or provide other labor is permissible if such persons are supervised by a medical marijuana establishment agent.

5. A medical marijuana dispensary and a cultivation facility may acquire usable marijuana or marijuana plants from a patient who holds a valid registry identification card, or the designated primary caregiver of such a patient. Except as otherwise provided in this subsection, the patient or caregiver, as applicable, must receive no compensation for the marijuana. A patient who holds a valid registry identification card, and the

designated primary caregiver of such a patient, may sell usable marijuana to a medical marijuana dispensary one time and may sell marijuana plants to a cultivation facility one time.

6. A medical marijuana establishment shall not allow any person to consume marijuana on the property or premises of the establishment.

7. Medical marijuana establishments are subject to reasonable inspection by the Division at any time, and a person who holds a medical marijuana establishment registration certificate must make himself or herself, or a designee thereof, available and present for any inspection by the Division of the establishment.

Sec. 19.1. 1. Each medical marijuana establishment, in consultation with the Division, shall maintain an electronic verification system.

2. The electronic verification system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

~~(a) Whether a~~ In the case of a medical marijuana dispensary, for each person who holds a valid registry identification card ~~is, including, without limitation,~~ and who purchased marijuana from the dispensary in the immediately preceding 60-day period:

(1) The number of the card;

(2) The date on which the card was issued; and

~~{(2)}~~ (3) The date on which the card will expire. ~~is, and~~

~~(3) The name and contact information of the attending physician who advised the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;~~

~~(b) Whether a~~

(b) For each medical marijuana establishment agent ~~holds a valid~~ who is employed by or volunteers at the medical marijuana establishment, the number of the person's medical marijuana establishment agent registration card. ~~is~~

~~(c) Whether another medical marijuana establishment is registered validly in accordance with sections 10 to 20, inclusive, of this act;~~

~~(d) Whether the registry identification card, or equivalent thereof, possessed or presented by a person who is not a resident of Nevada, is genuine and valid; and~~

~~(e)~~ (c) In the case of a medical marijuana dispensary, such information as may be required by the Division by regulation regarding persons who are not residents of this State and who have purchased marijuana from the dispensary.

(d) Verification of the identity of a person to whom marijuana, edible marijuana products or marijuana-infused products are sold or otherwise distributed.

(e) Such other information as the Division may require.

3. Nothing in this section prohibits more than one medical marijuana establishment from co-owning an electronic verification system in cooperation with other medical marijuana establishments, or sharing the information obtained therefrom.

4. A medical marijuana establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an electronic verification system is encrypted, protected and not divulged for any purpose not specifically authorized by law.

Sec. 19.2. 1. Each medical marijuana establishment, in consultation with the Division, shall maintain an inventory control system.

2. The inventory control system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) Insofar as is practicable, the chain of custody and current whereabouts, in real time, of medical marijuana from the point that it is harvested at a cultivation facility until it is sold at a medical marijuana dispensary and, if applicable, if it is processed at a facility for the production of edible marijuana products ~~and~~ or marijuana-infused products;

(b) The name of each person or other medical marijuana establishment, or both, to which the establishment sold marijuana;

(c) In the case of a medical marijuana dispensary, the date on which it sold marijuana to a person who holds a registry identification card and, if any, the quantity of edible marijuana products or marijuana-infused products sold, measured both by weight and potency; and

(d) Such other information as the Division may require.

3. Nothing in this section prohibits more than one medical marijuana establishment from co-owning an inventory control system in cooperation with other medical marijuana establishments, or sharing the information obtained therefrom.

4. A medical marijuana establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an inventory control system is encrypted, protected and not divulged for any purpose not specifically authorized by law.

Sec. 19.3. Each medical marijuana dispensary shall ensure all of the following:

1. The weight, concentration and content of THC in all marijuana, ~~and~~ edible marijuana products and marijuana-infused products that the dispensary sells is clearly and accurately stated on the product sold.

2. That the dispensary does not sell to a person, in any one 14-day period, an amount of marijuana for medical purposes that exceeds the limits set forth in NRS 453A.200.

3. That, posted clearly and conspicuously within the dispensary, are the legal limits on the possession of marijuana for medical purposes, as set forth in NRS 453A.200.

4. That, posted clearly and conspicuously within the dispensary, is a sign stating unambiguously the legal limits on the possession of marijuana for medical purposes, as set forth in NRS 453A.200.

Sec. 19.4. 1. At each medical marijuana establishment, medical marijuana must be stored only in an enclosed, locked facility.

2. Except as otherwise provided in subsection 3, at each medical marijuana dispensary, medical marijuana must be stored in a secure, locked device, display case, cabinet or room within the enclosed, locked facility. The secure, locked device, display case, cabinet or room must be protected by a lock or locking mechanism that meets at least the security rating established by Underwriters Laboratories for key locks.

3. At a medical marijuana dispensary, medical marijuana may be removed from the secure setting described in subsection 2:

- (a) Only for the purpose of dispensing the marijuana;
- (b) Only immediately before the marijuana is dispensed; and
- (c) Only by a medical marijuana establishment agent who is employed by or volunteers at the dispensary.

Sec. 19.5. 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

(d) The ~~state or jurisdiction from which the holder or bearer obtained the nonresident card maintains a database which preserves such information as may be necessary to verify the authenticity and validity of the nonresident card;~~

~~(e) The state or jurisdiction from which the holder or bearer obtained the nonresident card allows the Division and medical marijuana dispensaries in this State to access the database described in paragraph (d);~~

~~(f) The Division determines that the database described in paragraph (d) is able to provide to medical marijuana dispensaries in this State information that is sufficiently accurate, current and specific as to allow those dispensaries to verify that a person who holds or bears a nonresident card is entitled lawfully to do so; and~~

~~(g) holder or bearer of the nonresident card signs an affidavit in a form prescribed by the Division which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and~~

(e) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.

2. For the purposes of the reciprocity described in this section:

(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and

(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.

3. As used in this section, “nonresident card” means a card or other identification that:

(a) Is issued by a state or jurisdiction other than Nevada; and

(b) Is the functional equivalent of a registry identification card, as determined by the Division.

Sec. 19.6. 1. ~~Each~~ A patient who holds a valid registry identification card and his or her designated primary caregiver, if any, may select one medical marijuana dispensary ~~shall, at the time of making a sale of marijuana or edible marijuana products, or both, collect a flat fee of \$10 for deposit in the State General Fund.~~

~~2. The fee described in subsection 1 is to be applied in addition to any overhead or administrative costs of the medical marijuana dispensary in making the sale, and in addition to any profit made by the~~ to serve as his or her designated medical marijuana dispensary for the sale.

~~3. As used in this section, “sale” means a single completed purchase, regardless of the number of individual items included in the purchase, at any one time.~~

2. A patient who designates a medical marijuana dispensary as described in subsection 1:

(a) Shall communicate the designation to the Division within the time specified by the Division.

(b) May change his or her designation not more than once in a 30-day period.

Sec. 19.7. Each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products shall, in consultation with the Division, cooperate to ensure that all edible marijuana products and marijuana-infused products offered for sale:

1. Are labeled clearly and unambiguously as medical marijuana.
2. Are not presented in packaging that is appealing to children.
3. Are regulated and sold on the basis of the concentration of THC in the products and not by weight.
4. Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

Sec. 19.8. 1. If a law enforcement agency legally and justly seizes evidence from a medical marijuana establishment on a basis that, in consideration of due process and viewed in the manner most favorable to the establishment, would lead a reasonable person to believe that a crime has been committed, the relevant provisions of NRS 179.1156 to 179.121, inclusive, apply insofar as they do not conflict with the provisions of this chapter.

2. As used in this section, "law enforcement agency" has the meaning ascribed to it in NRS 239C.065.

Sec. 19.9. 1. ~~The Division shall establish for cause to be established and~~ standards for and certify one or more private and independent testing laboratories to test marijuana, edible marijuana products and marijuana-infused products that are to be sold in this State.

2. ~~The~~ Such an independent testing laboratory must be able to determine ~~it~~ accurately, with respect to marijuana, ~~and~~ edible marijuana products and marijuana-infused products that are sold or will be sold at medical marijuana dispensaries in this State:

- (a) The concentration therein of THC and cannabidiol.
- (b) Whether the tested material is organic or non-organic.
- (c) The presence and identification of molds and fungus.
- (d) The presence and concentration of fertilizers and other nutrients.

3. ~~The cost of establishing the~~ To obtain certification by the Division on behalf of an independent testing laboratory, an applicant must ~~be paid from the revenues described in paragraph (a) of subsection 3 of~~

- (a) Apply successfully as required pursuant to section 10 of this act.
- (b) Pay the fees required pursuant to section 12 of this act.

Sec. 20. The Division shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of sections 10 to 20, inclusive, of this act. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of registration and renewal applications submitted pursuant to sections 10 and 13 of this act.

2. Set forth rules pertaining to the safe and healthful operation of medical marijuana establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on medical marijuana establishments or compromising the confidentiality of the holders of registry identification cards.

(b) Minimum requirements for the oversight of medical marijuana establishments.

(c) Minimum requirements for the keeping of records by medical marijuana establishments.

(d) Provisions for the security of medical marijuana establishments, including, without limitation, requirements for the protection by a fully operational security alarm system of each medical marijuana establishment.

(e) Procedures pursuant to which medical marijuana dispensaries must use the services of an independent testing laboratory to ensure that any marijuana, edible marijuana products and marijuana-infused products sold by the dispensaries to end users are tested for content, quality and potency in accordance with standards established by the Division.

(f) Procedures pursuant to which a medical marijuana dispensary will be notified by the Division if a patient who holds a valid registry identification card has chosen the dispensary as his or her designated medical marijuana dispensary, as described in section 19.6 of this act.

3. Establish circumstances and procedures pursuant to which the maximum fees set forth in section 12 of this act may be reduced over time:

(a) To ensure that the fees imposed pursuant to section 12 of this act are, insofar as may be practicable, revenue neutral; and

(b) To reflect gifts and grants received by the Division pursuant to NRS 453A.720.

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid registry identification card, or the designated primary caregiver of such a person, in any one 14-day period. Such an amount must not exceed the limits set forth in NRS 453A.200.

5. As far as possible while maintaining accountability, protect the identity and personal identifying information of each person who receives, facilitates or delivers services in accordance with this chapter.

6. In cooperation with the Board of Medical Examiners and the State Board of Osteopathic Medicine, establish a system to:

(a) *Register and track attending physicians who advise their patients that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;*

(b) *Insofar as is possible, track and quantify the number of times an attending physician described in paragraph (a) makes such an advisement; and*

(c) *Provide for the progressive discipline of attending physicians who advise the medical use of marijuana at a rate at which the Division and Board determine and agree to be unreasonably high.*

7. *Establish different categories of medical marijuana establishment agent registration cards, including, without limitation, criteria for training and certification, for each of the different types of medical marijuana establishments at which such an agent may be employed or volunteer.*

8. *Provide for the maintenance of a log by the Division of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.220. The Division shall ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.*

9. *Address such other matters as may assist in implementing the program of dispensation contemplated by sections 10 to 20, inclusive, of this act.*

Sec. 21. NRS 453A.010 is hereby amended to read as follows:

453A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 453A.020 to 453A.170, inclusive, **and sections 3 to 9, inclusive, of this act** have the meanings ascribed to them in those sections.

Sec. 21.5. NRS 453A.100 is hereby amended to read as follows:

453A.100 ~~["Drug paraphernalia" has the meaning ascribed to it in NRS 453.554.]~~ **"Paraphernalia" means accessories, devices and other equipment that is necessary or useful for a person to engage in the medical use of marijuana.**

Sec. 22. NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of ~~[drug]~~ paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of ~~[drug]~~ paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of ~~{drug}~~ paraphernalia is an element.

2. In addition to the provisions of ~~{subsection}~~ **subsections 1 ~~{1}~~ and 5**, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

(a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of the person's chronic or debilitating medical condition; and

(b) Do not, at any one time, collectively possess, deliver or produce more than:

(1) ~~{One ounce}~~ **Two and one-half ounces** of usable marijuana ~~{1}~~ **in any one 14-day period; ~~and~~**

(2) ~~{Three mature}~~ **Twelve** marijuana plants ~~{1}~~ **and**

~~— (3) Four immature marijuana plants.}~~ **, irrespective of whether the marijuana plants are mature or immature ~~{1}~~; and**

(3) A maximum allowable quantity of edible marijuana products and marijuana-infused products as established by regulation of the Division.

↪ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, ~~locked facility pursuant to the requirements of section 10.4 of this act,~~ secure location.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to section 10 of this act or a valid medical marijuana establishment agent registration card

issued to the person pursuant to section 13 of this act, and who confines his or her activities to those authorized by sections 10 to 20, inclusive, of this act and the regulations adopted by the Division pursuant thereto, is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card or his or her designated primary caregiver, if any, such persons are not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

(a) The person who holds the registry identification card or his or her designated primary caregiver, if any, was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013;

(b) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or his or her designated primary caregiver, if any, close or are unable to supply the quantity or strain of marijuana necessary for the medical use of
~~the person to treat his or her specific medical condition;~~

(c) Because of illness or lack of transportation, the person who holds the registry identification card and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary;
 or

(d) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.

7. As used in this section, "marijuana" includes, without limitation, edible marijuana products ~~and~~ and marijuana-infused products.

Sec. 22.3. NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued

to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

(a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of the person's chronic or debilitating medical condition; and

(b) Do not, at any one time, collectively possess, deliver or produce more than:

(1) Two and one-half ounces of usable marijuana in any one 14-day period;

(2) Twelve marijuana plants, irrespective of whether the marijuana plants are mature or immature; and

(3) A maximum allowable quantity of edible marijuana products and marijuana-infused products as established by regulation of the Division.

↪ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, secure location.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to section 10 of this act or a valid medical marijuana establishment agent registration card issued to the person pursuant to section 13 of this act, and who confines his or her activities to those authorized by sections 10 to 20, inclusive, of this act and the regulations adopted by the Division pursuant thereto, is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card or his or her designated primary caregiver, if any, such persons are not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

~~(a) [The person who holds the registry identification card or his or her designated primary caregiver, if any, was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013;~~

~~(b)]~~ All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or his or her designated primary caregiver, if any, close or are unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;

~~(c)]~~ (b) Because of illness or lack of transportation, the person who holds the registry identification card and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary; or

~~(d)]~~ (c) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.

7. As used in this section, “marijuana” includes, without limitation, edible marijuana products and marijuana-infused products.

Sec. 22.35. NRS 453A.210 is hereby amended to read as follows:

453A.210 1. The Division shall establish and maintain a program for the issuance of registry identification cards to persons who meet the requirements of this section.

2. Except as otherwise provided in subsections 3 and 5 and NRS 453A.225, the Division or its designee shall issue a registry identification card to a person who is a resident of this State and who submits an application on a form prescribed by the Division accompanied by the following:

(a) Valid, written documentation from the person’s attending physician stating that:

(1) The person has been diagnosed with a chronic or debilitating medical condition;

(2) The medical use of marijuana may mitigate the symptoms or effects of that condition; and

(3) The attending physician has explained the possible risks and benefits of the medical use of marijuana;

(b) The name, address, telephone number, social security number and date of birth of the person;

(c) Proof satisfactory to the Division that the person is a resident of this State;

(d) The name, address and telephone number of the person’s attending physician; ~~and~~

(e) If the person elects to designate a primary caregiver at the time of application:

(1) The name, address, telephone number and social security number of the designated primary caregiver; and

(2) A written, signed statement from the person’s attending physician in which the attending physician approves of the designation of the primary caregiver. ~~It; and~~

(f) If the person elects to designate a medical marijuana dispensary at the time of application, the name of the medical marijuana dispensary.

3. The Division or its designee shall issue a registry identification card to a person who is under 18 years of age if:

(a) The person submits the materials required pursuant to subsection 2; and

(b) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age signs a written statement setting forth that:

(1) The attending physician of the person under 18 years of age has explained to that person and to the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age the possible risks and benefits of the medical use of marijuana;

(2) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age consents to the use of marijuana by the person under 18 years of age for medical purposes;

(3) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to serve as the designated primary caregiver for the person under 18 years of age; and

(4) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to control the acquisition of marijuana and the dosage and frequency of use by the person under 18 years of age.

4. The form prescribed by the Division to be used by a person applying for a registry identification card pursuant to this section must be a form that is in quintuplicate. Upon receipt of an application that is completed and submitted pursuant to this section, the Division shall:

(a) Record on the application the date on which it was received;

(b) Retain one copy of the application for the records of the Division; and

(c) Distribute the other four copies of the application in the following manner:

(1) One copy to the person who submitted the application;

(2) One copy to the applicant's designated primary caregiver, if any;

(3) One copy to the Central Repository for Nevada Records of Criminal History; and

(4) One copy to:

(I) If the attending physician of the applicant is licensed to practice medicine pursuant to the provisions of chapter 630 of NRS, the Board of Medical Examiners; or

(II) If the attending physician of the applicant is licensed to practice osteopathic medicine pursuant to the provisions of chapter 633 of NRS, the State Board of Osteopathic Medicine.

➡ The Central Repository for Nevada Records of Criminal History shall report to the Division its findings as to the criminal history, if any, of an applicant within 15 days after receiving a copy of an application pursuant to subparagraph (3) of paragraph (c). The Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable, shall report to the Division its findings as to the licensure and standing of the applicant's attending physician within 15 days after receiving a copy of an application pursuant to subparagraph (4) of paragraph (c).

5. The Division shall verify the information contained in an application submitted pursuant to this section and shall approve or deny an application within 30 days after receiving the application. The Division may contact an applicant, the applicant's attending physician and designated primary caregiver, if any, by telephone to determine that the information provided on or accompanying the application is accurate. The Division may deny an application only on the following grounds:

(a) The applicant failed to provide the information required pursuant to subsections 2 and 3 to:

(1) Establish the applicant's chronic or debilitating medical condition;

or

(2) Document the applicant's consultation with an attending physician regarding the medical use of marijuana in connection with that condition;

(b) The applicant failed to comply with regulations adopted by the Division, including, without limitation, the regulations adopted by the Administrator pursuant to NRS 453A.740;

(c) The Division determines that the information provided by the applicant was falsified;

(d) The Division determines that the attending physician of the applicant is not licensed to practice medicine or osteopathic medicine in this State or is not in good standing, as reported by the Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable;

(e) The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has been convicted of knowingly or intentionally selling a controlled substance;

(f) The Division has prohibited the applicant from obtaining or using a registry identification card pursuant to subsection 2 of NRS 453A.300;

(g) The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has had a registry identification card revoked pursuant to NRS 453A.225; or

(h) In the case of a person under 18 years of age, the custodial parent or legal guardian with responsibility for health care decisions for the person has not signed the written statement required pursuant to paragraph (b) of subsection 3.

6. The decision of the Division to deny an application for a registry identification card is a final decision for the purposes of judicial review. Only the person whose application has been denied or, in the case of a person under 18 years of age whose application has been denied, the person's parent or legal guardian, has standing to contest the determination of the Division. A judicial review authorized pursuant to this subsection must be limited to a determination of whether the denial was arbitrary, capricious or otherwise characterized by an abuse of discretion and must be conducted in accordance

with the procedures set forth in chapter 233B of NRS for reviewing a final decision of an agency.

7. A person whose application has been denied may not reapply for 6 months after the date of the denial, unless the Division or a court of competent jurisdiction authorizes reapplication in a shorter time.

8. Except as otherwise provided in this subsection, if a person has applied for a registry identification card pursuant to this section and the Division has not yet approved or denied the application, the person, and the person's designated primary caregiver, if any, shall be deemed to hold a registry identification card upon the presentation to a law enforcement officer of the copy of the application provided to him or her pursuant to subsection 4. ~~[A person may not be deemed to hold a registry identification card for a period of more than 30 days after the date on which the Division received the application.]~~

9. As used in this section, "resident" has the meaning ascribed to it in NRS 483.141.

Sec. 22.4. NRS 453A.220 is hereby amended to read as follows:

453A.220 1. If the Division approves an application pursuant to subsection 5 of NRS 453A.210, the Division or its designee shall, as soon as practicable after the Division approves the application:

(a) Issue a serially numbered registry identification card to the applicant; and

(b) If the applicant has designated a primary caregiver, issue a serially numbered registry identification card to the designated primary caregiver.

2. A registry identification card issued pursuant to paragraph (a) of subsection 1 must set forth:

(a) The name, address, photograph and date of birth of the applicant;

(b) The date of issuance and date of expiration of the registry identification card;

(c) The name and address of the applicant's designated primary caregiver, if any; ~~and~~

(d) *The name of the applicant's designated medical marijuana dispensary, if any;*

(e) Whether the applicant is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and

(f) Any other information prescribed by regulation of the Division.

3. A registry identification card issued pursuant to paragraph (b) of subsection 1 must set forth:

(a) The name, address and photograph of the designated primary caregiver;

(b) The date of issuance and date of expiration of the registry identification card;

(c) The name and address of the applicant for whom the person is the designated primary caregiver; ~~and~~

(d) **The name of the designated primary caregiver's designated medical marijuana dispensary, if any;**

(e) **Whether the designated primary caregiver is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and**

(f) Any other information prescribed by regulation of the Division.

4. Except as otherwise provided in NRS 453A.225, subsection 3 of NRS 453A.230 and subsection 2 of NRS 453A.300, a registry identification card issued pursuant to this section is valid for a period of 1 year and may be renewed in accordance with regulations adopted by the Division.

Sec. 22.45. NRS 453A.230 is hereby amended to read as follows:

453A.230 1. A person to whom the Division or its designee has issued a registry identification card pursuant to paragraph (a) of subsection 1 of NRS 453A.220 shall, in accordance with regulations adopted by the Division:

(a) Notify the Division of any change in the person's name, address, telephone number, **designated medical marijuana dispensary**, attending physician or designated primary caregiver, if any; and

(b) Submit annually to the Division:

(1) Updated written documentation from the person's attending physician in which the attending physician sets forth that:

(I) The person continues to suffer from a chronic or debilitating medical condition;

(II) The medical use of marijuana may mitigate the symptoms or effects of that condition; and

(III) The attending physician has explained to the person the possible risks and benefits of the medical use of marijuana; and

(2) If the person elects to designate a primary caregiver for the subsequent year and the primary caregiver so designated was not the person's designated primary caregiver during the previous year:

(I) The name, address, telephone number and social security number of the designated primary caregiver; and

(II) A written, signed statement from the person's attending physician in which the attending physician approves of the designation of the primary caregiver.

2. A person to whom the Division or its designee has issued a registry identification card pursuant to paragraph (b) of subsection 1 of NRS 453A.220 or pursuant to NRS 453A.250 shall, in accordance with regulations adopted by the Division, notify the Division of any change in the person's name, address, telephone number, **designated medical marijuana**

dispensary or the identity of the person for whom he or she acts as designated primary caregiver.

3. If a person fails to comply with the provisions of subsection 1 or 2, the registry identification card issued to the person shall be deemed expired. If the registry identification card of a person to whom the Division or its designee issued the card pursuant to paragraph (a) of subsection 1 of NRS 453A.220 is deemed expired pursuant to this subsection, a registry identification card issued to the person's designated primary caregiver, if any, shall also be deemed expired. Upon the deemed expiration of a registry identification card pursuant to this subsection:

(a) The Division shall send, by certified mail, return receipt requested, notice to the person whose registry identification card has been deemed expired, advising the person of the requirements of paragraph (b); and

(b) The person shall return his or her registry identification card to the Division within 7 days after receiving the notice sent pursuant to paragraph (a).

Sec. 22.5. NRS 453A.300 is hereby amended to read as follows:

453A.300 1. A person who holds a registry identification card issued to him or her pursuant to NRS 453A.220 or 453A.250 is not exempt from state prosecution for, nor may the person establish an affirmative defense to charges arising from, any of the following acts:

(a) Driving, operating or being in actual physical control of a vehicle or a vessel under power or sail while under the influence of marijuana.

(b) Engaging in any other conduct prohibited by NRS 484C.110, 484C.120, 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS 488.410, 488.420, 488.425 or 493.130.

(c) Possessing a firearm in violation of paragraph (b) of subsection 1 of NRS 202.257.

(d) Possessing marijuana in violation of NRS 453.336 or possessing ~~drug~~ paraphernalia in violation of NRS 453.560 or 453.566, if the possession of the marijuana or ~~drug~~ paraphernalia is discovered because the person engaged or assisted in the medical use of marijuana in:

(1) Any public place or in any place open to the public or exposed to public view; or

(2) Any local detention facility, county jail, state prison, reformatory or other correctional facility, including, without limitation, any facility for the detention of juvenile offenders.

(e) Delivering marijuana to another person who he or she knows does not lawfully hold a registry identification card issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

(f) Delivering marijuana for consideration to any person, regardless of whether the recipient lawfully holds a registry identification card issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

2. Except as otherwise provided in NRS 453A.225 and in addition to any other penalty provided by law, if the Division determines that a person has willfully violated a provision of this chapter or any regulation adopted by the Division to carry out the provisions of this chapter, the Division may, at its own discretion, prohibit the person from obtaining or using a registry identification card for a period of up to 6 months.

Sec. 23. NRS 453A.400 is hereby amended to read as follows:

453A.400 1. The fact that a person possesses a registry identification card issued to the person by the Division or its designee pursuant to NRS 453A.220 or 453A.250, ***a medical marijuana establishment registration certificate issued to the person by the Division or its designee pursuant to section 10 of this act or a medical marijuana establishment agent registration card issued to the person by the Division or its designee pursuant to section 13 of this act*** does not, alone:

(a) Constitute probable cause to search the person or the person's property; or

(b) Subject the person or the person's property to inspection by any governmental agency.

2. Except as otherwise provided in this subsection, if officers of a state or local law enforcement agency seize marijuana, ~~drug~~ paraphernalia or other related property from a person engaged ***in, facilitating*** or assisting in the medical use of marijuana:

(a) The law enforcement agency shall ensure that the marijuana, ~~drug~~ paraphernalia or other related property is not destroyed while in the possession of the law enforcement agency.

(b) Any property interest of the person from whom the marijuana, ~~drug~~ paraphernalia or other related property was seized must not be forfeited pursuant to any provision of law providing for the forfeiture of property, except as part of a sentence imposed after conviction of a criminal offense.

(c) Upon a determination by the district attorney of the county in which the marijuana, ~~drug~~ paraphernalia or other related property was seized, or the district attorney's designee, that the person from whom the marijuana, ~~drug~~ paraphernalia or other related property was seized is engaging in or assisting in the medical use of marijuana in accordance with the provisions of this chapter, the law enforcement agency shall immediately return to that person any usable marijuana, marijuana plants, ~~drug~~ paraphernalia or other related property that was seized.

➤ The provisions of this subsection do not require a law enforcement agency to care for live marijuana plants.

3. For the purposes of paragraph (c) of subsection 2, the determination of a district attorney or the district attorney's designee that a person is engaging in or assisting in the medical use of marijuana in accordance with the provisions of this chapter shall be deemed to be evidenced by:

- (a) A decision not to prosecute;
- (b) The dismissal of charges; or
- (c) Acquittal.

Sec. 24. NRS 453A.740 is hereby amended to read as follows:

453A.740 The Administrator of the Division shall adopt such regulations as the Administrator determines are necessary to carry out the provisions of this chapter. The regulations must set forth, without limitation:

1. Procedures pursuant to which the Division will, in cooperation with the Department of Motor Vehicles, cause a registry identification card to be prepared and issued to a qualified person as a type of identification card described in NRS 483.810 to 483.890, inclusive. The procedures described in this subsection must provide that the Division will:

(a) Issue a registry identification card to a qualified person after the card has been prepared by the Department of Motor Vehicles; or

(b) Designate the Department of Motor Vehicles to issue a registry identification card to a person if:

(1) The person presents to the Department of Motor Vehicles valid documentation issued by the Division indicating that the Division has approved the issuance of a registry identification card to the person; and

(2) The Department of Motor Vehicles, before issuing the registry identification card, confirms by telephone or other reliable means that the Division has approved the issuance of a registry identification card to the person.

2. ~~Criteria for determining whether a marijuana plant is a mature marijuana plant or an immature marijuana plant.~~

~~3.~~ Fees for:

(a) Providing to an applicant an application for a registry identification card, which fee must not exceed ~~(\$50)~~ \$25; and

(b) Processing and issuing a registry identification card, which fee must not exceed ~~(\$150)~~ \$75.

Sec. 24.3. NRS 453A.800 is hereby amended to read as follows:

453A.800 The provisions of this chapter do not:

1. Require an insurer, organization for managed care or any person or entity who provides coverage for a medical or health care service to pay for or reimburse a person for costs associated with the medical use of marijuana.

2. Require any employer to ~~accommodate~~ **allow** the medical use of marijuana in the workplace.

3. Require an employer to modify the job or working conditions of a person who engages in the medical use of marijuana that are based upon the reasonable business purposes of the employer but the employer must attempt to make reasonable accommodations for the medical needs of an employee who engages in the medical use of marijuana if the employee holds a valid registry identification card, provided that such reasonable accommodation would not ~~pose~~ :

(a) Pose a threat of harm or danger to persons or property or impose an undue hardship on the employer ~~+~~ ; or

(b) Prohibit the employee from fulfilling any and all of his or her job responsibilities.

Sec. 24.4. Chapter 372A of NRS is hereby amended by adding thereto a new section to read as follows:

1. An excise tax is hereby imposed on each wholesale sale in this State of marijuana by a cultivation facility to another medical marijuana establishment at the rate of 2 percent of the sales price of the marijuana. The excise tax imposed pursuant to this subsection is the obligation of the cultivation facility.

2. An excise tax is hereby imposed on each wholesale sale in this State of edible marijuana products or marijuana-infused products by a facility for the production of edible marijuana products or marijuana-infused products to another medical marijuana establishment at the rate of 2 percent of the sales price of those products. The excise tax imposed pursuant to this subsection is the obligation of the facility for the production of edible marijuana products or marijuana-infused products which sells the edible marijuana products or marijuana-infused products to the other medical marijuana establishment.

3. An excise tax is hereby imposed on each retail sale in this State of marijuana, edible marijuana products or marijuana-infused products by a medical marijuana dispensary at the rate of 2 percent of the sales price of the marijuana, edible marijuana products or marijuana-infused products. The excise tax imposed pursuant to this subsection:

(a) Is the obligation of the medical marijuana dispensary.

(b) Is separate from and in addition to any general state and local sales and use taxes that apply to retail sales of tangible personal property.

(c) Must be considered part of the total retail price to which general state and local sales and use taxes apply.

4. The revenues collected from the excise taxes imposed pursuant to subsections 1, 2 and 3 must be distributed as follows:

(a) Seventy-five percent must be paid over as collected to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.

(b) Twenty-five percent must be expended to pay the costs of the Health Division of the Department of Health and Human Services in carrying out the provisions of sections 10 to 20, inclusive, of this act.

5. The Department shall review regularly the rates of the excise taxes imposed pursuant to subsections 1, 2 and 3 and make recommendations to the Legislature, as appropriate, regarding adjustments that the Department determines would benefit the residents of this State.

6. As used in this section:

(a) "Cultivation facility" has the meaning ascribed to it in section 3.5 of this act.

(b) "Edible marijuana products" has the meaning ascribed to it in section 5.3 of this act.

(c) "Facility for the production of edible marijuana products or marijuana-infused products" has the meaning ascribed to it in section 7.3 of this act.

(d) "Marijuana-infused products" has the meaning ascribed to it in section 7.9 of this act.

(e) "Medical marijuana dispensary" has the meaning ascribed to it in section 8 of this act.

(f) "Medical marijuana establishment" has the meaning ascribed to it in section 8.3 of this act.

Sec. 24.5. NRS 372A.060 is hereby amended to read as follows:

372A.060 1. This chapter does not apply to ~~any~~:

(a) Any person who is registered or exempt from registration pursuant to NRS 453.226 or any other person who is lawfully in possession of a controlled substance ~~1~~; or

(b) ~~Any~~ Except as otherwise provided in section 24.4 of this act, any person who acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses marijuana for the medical use of marijuana as authorized pursuant to chapter 453A of NRS.

2. Compliance with this chapter does not immunize a person from criminal prosecution for the violation of any other provision of law.

Sec. 24.7. NRS 372A.070 is hereby amended to read as follows:

372A.070 1. A person shall not sell, offer to sell or possess with the intent to sell a controlled substance unless he or she first:

(a) Registers with the Department as a dealer in controlled substances and pays an annual fee of \$250; and

(b) Pays a tax on:

(1) ~~Each gram of marijuana, or portion thereof, of \$100;~~

~~(2)~~ Each gram of ~~any other~~ a controlled substance, or portion thereof, of \$1,000; and

~~{(3)}~~ (2) Each 50 dosage units of a controlled substance that is not sold by weight, or portion thereof, of \$2,000.

2. For the purpose of calculating the tax imposed by ~~{subparagraph}~~ **subparagraph** (1) ~~and (2)}~~ of paragraph (b) of subsection 1, the controlled substance must be measured by the weight of the substance in the dealer's possession, including the weight of any material, compound, mixture or preparation that is added to the controlled substance.

3. The Department shall not require a registered dealer to give his or her name, address, social security number or other identifying information on any return submitted with the tax.

4. Any person who violates subsection 1 is subject to a civil penalty of 100 percent of the tax in addition to the tax imposed by subsection 1. Any civil penalty imposed pursuant to this subsection must be collected as part of the tax.

5. The district attorney of any county in which a dealer resides may institute and conduct the prosecution of any action for violation of subsection 1.

6. Property forfeited or subject to forfeiture pursuant to NRS 453.301 must not be used to satisfy a fee, tax or penalty imposed by this section.

7. As used in this section ~~is "controlled"~~:

(a) "Controlled substance" does not include marijuana ~~it~~, edible marijuana products or marijuana-infused products.

(b) "Edible marijuana products" has the meaning ascribed to it in section 5.3 of this act.

(c) "Marijuana-infused products" has the meaning ascribed to it in section 7.9 of this act.

Sec. 24.9. Section 19.5 of this act is hereby amended to read as follows:

Sec. 19.5 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

~~(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the Division which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and~~

~~—(e) state or jurisdiction from which the holder or bearer obtained the nonresident card maintains a database which preserves such information as may be necessary to verify the authenticity or validity of the nonresident card;~~

~~(e) The state or jurisdiction from which the holder or bearer obtained the nonresident card allows the Division and medical marijuana dispensaries in this State to access the database described in paragraph (d);~~

~~(f) The Division determines that the database described in paragraph (d) is able to provide to medical marijuana dispensaries in this State information that is sufficiently accurate, current and specific as to allow those dispensaries to verify that a person who holds or bears a nonresident card is entitled lawfully to do so; and~~

~~(g) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.~~

2. For the purposes of the reciprocity described in this section:

(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and

(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.

3. As used in this section, “nonresident card” means a card or other identification that:

(a) Is issued by a state or jurisdiction other than Nevada; and

(b) Is the functional equivalent of a registry identification card, as determined by the Division.

Sec. 25. On or before ~~January 1, 2014~~ **April 1, 2014**, the Health Division of the Department of Health and Human Services shall adopt the regulations required pursuant to section 20 of this act.

Sec. 25.5. 1. If the Director of the Department of Health and Human Services determines that the revenues from the fees collected pursuant to section 12 of this act are not sufficient in Fiscal Year 2013-2014 or Fiscal Year 2014-2015 to pay authorized expenditures necessary to carry out sections 10 to 20, inclusive of this act, the Director of the Department of Health and Human Services may request from the Director of the Department of Administration a temporary advance from the State General Fund for the

payment of authorized expenditures to carry out sections 10 to 20, inclusive of this act.

2. The Director of the Department of Administration shall provide written notification to the State Controller and to the Senate and Assembly Fiscal Analysts of the Fiscal Analysis Division of the Legislative Counsel Bureau if the Director of the Department of Administration approves a request made pursuant to subsection 1. The State Controller shall draw a warrant upon receipt of the approval by the Director of the Department of Administration.

3. Any money which is temporarily advanced from the State General Fund to the Director of the Department of Health and Human Services pursuant to this section must be repaid on or before the last business day in August immediately following the end of Fiscal Year 2013-2014 and Fiscal Year 2014-2015, respectively.

Sec. 26. 1. This section and section 25.5 of this act become effective upon passage and approval.

2. Sections 1 to ~~25.1~~ **22, inclusive, 22.35 to 24.7, inclusive, and 25** of this act become effective upon passage and approval for the purpose of adopting regulations and carrying out other preparatory administrative acts, and on ~~January 1~~ **April 1**, 2014, for all other purposes.

3. **Sections 22.3 and 24.9 of this act become effective on April 1, 2016.**

4. Sections 14 and 15 of this act expire by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,
 ➔ are repealed by the Congress of the United States.

Assemblyman Frierson moved the adoption of the amendment.

Remarks by Assemblyman Frierson.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, June 2, 2013

To the Honorable the Assembly:

It is my pleasure to inform your esteemed body that the Senate on this day adopted Senate Concurrent Resolution No. 12.

SHERRY L. RODRIGUEZ
Assistant Secretary of the Senate

MOTIONS, RESOLUTIONS AND NOTICES

Senate Concurrent Resolution No. 12.

Assemblyman Horne moved the adoption of the resolution.

Remarks by Assemblyman Horne.

Resolution adopted and 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 12:29 a.m.

ASSEMBLY IN SESSION

At 12:52 a.m.

Madam Speaker presiding.

Quorum present.

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, June 2, 2013

To the Honorable the Assembly:

It is my pleasure to inform your esteemed body that the Senate on this day passed Assembly Bill No. 224.

Also, it is my pleasure to inform your esteemed body that the Senate on this day adopted the reports of the Conference Committees concerning Senate Bills Nos. 185, 364, 410, 425; Senate Joint Resolution No. 9.

SHERRY L. RODRIGUEZ

Assistant Secretary of the Senate

GENERAL FILE AND THIRD READING

Assembly Bill No. 367.

Bill read third time.

Remarks by Assemblyman Daly.

ASSEMBLYMAN DALY:

Assembly Bill 367, as amended, prohibits a controlling party from entering into an indemnification agreement with or seeking indemnification from a design professional, subcontractor, supplier, or other service provider for a development project with regard to a construction defects claim, except as otherwise provided under the provisions of the *Nevada Revised Statutes* that relate to actions resulting from the constructional defect.

Assembly Bill 367, as amended, also allows a controlling party to enter into an indemnification agreement with a design professional, subcontractor, supplier, or other service provider for a development project with regard to a construction defects claim to the extent that the underlying injury or damage is due to negligent or otherwise wrongful act or omission, including without limitation, breach of a specific contractual duty of the promisor or the promisor's independent contractors, agents, employees, or delegates.

Assembly Bill 367, as amended, declares that any such indemnification clause and any clause requiring a person to add another person as an additional insured in an insurance policy with the intent of making any person responsible for the actions of another is against public policy, void, and unenforceable.

Additionally, Assembly Bill 367, as amended, defines a “constructional defect” to include violations that adversely impact the structural integrity or safety of the residence, and appurtenance or the real property to which the residence or appurtenance is affixed or materially affect the fair market value of the residence, an appurtenance, or the real property to which the residence or appurtenance is affixed. Assembly Bill 367, as amended, becomes effective October 1, 2013, and applies to any claim for which a notice to a contractor of a construction defect is filed on or after October 1, 2013.

Assembly Bill 367 is a construction defect bill that we hope is not related to any other issues and various things; it’s just about the policy. It does change the indemnification provisions so that subcontractors that didn’t have anything to do with the lawsuit or the issues are not roped into the lawsuit by contract. It also tries to narrow the definition of a construction defect to get rid of some of the smaller “ticky-tack” things, if you will. Additionally, the bill is prospective only; it will only apply to contracts that are executed after the date that it goes into effect. It applies to residential construction only. It doesn’t get into the commercial building. With that, I urge everyone’s support.

Roll call on Assembly Bill No. 367:

YEAS—34.

NAYS—Duncan, Grady, Hickey, Horne, Kirner, Oscarson—6.

EXCUSED—Hardy, Pierce—2.

Assembly Bill No. 367 having received a constitutional majority, Madam Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

UNFINISHED BUSINESS

CONSIDERATION OF SENATE AMENDMENTS

Assembly Bill No. 24.

The following Senate amendment was read:

Amendment No. 874.

AN ACT relating to motor vehicles; providing for the limited issuance of special license plates to commemorate the 150th anniversary of Nevada’s admission into the Union; imposing a fee for the issuance or renewal of such license plates; revising provisions relating to the number of characters required to be contained on a license plate; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

This bill provides for the issuance of a special license plate to commemorate the 150th anniversary of Nevada’s admission into the Union. Existing law provides that the regular fees for the initial issuance and renewal of a special license plate are \$35 and \$10, respectively, exclusive of any additional fees which may be added to generate funds for a particular cause. (NRS 482.265) Unlike the fees set forth in existing law, the fee set forth in this bill for the initial issuance of a special license plate to commemorate the 150th anniversary (sesquicentennial) of Nevada’s admission into the Union is \$7.50 and there is no basic charge for the renewal of the special license plates, other than the fee that is required to be distributed to the Nevada

Cultural Affairs Foundation. Existing law also requires \$35 of the fee received by the Department of Motor Vehicles for the initial issuance of a special license plate, exclusive of any additional fees which may be added to generate funds for a particular cause, to be deposited in the State Highway Fund for credit to the Revolving Account for the Issuance of Special License Plates. (NRS 482.1805) This bill requires the Department to deposit the \$7.50 received for the initial issuance of the sesquicentennial license plate with the State Treasurer for credit to that Revolving Account. This bill also requires that an annual report concerning the revenues received and expenditures made in connection with the issuance of the commemorative license plates be submitted to the Director of the Legislative Counsel Bureau, and provides that in no event may the commemorative license plates be issued by the Department after October 31, 2016. **For a person who is a Legislator of this State, this bill allows the commemorative license plates to be combined with special legislative license plates issued to the Legislator pursuant to NRS 482.374.**

This bill also provides that the additional fees collected for the issuance of the plate must be deposited in the State General Fund. The State Treasurer is required to distribute those additional fees, on a quarterly basis, to the Nevada Cultural Affairs Foundation. This bill exempts these special license plates from: (1) the provisions that require a minimum number of applications for the plates; (2) the requirement that the Commission on Special License Plates approve or disapprove the plates; and (3) the limit on the number of separate designs of special license plates that may be issued by the Department at any one time.

Section 5 of this bill deletes the requirement that a redesign of license plates ordered by the Director of the Department: (1) be in colors that are predominately blue and silver; and (2) contain letters and numbers that are of the same size. **Sections 6 and 11-19** of this bill delete the requirement that a license plate contain a certain finite number of characters and provide instead that the Director will determine the number of characters to be contained on each license plate.

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:

1. Except as otherwise provided in subsection 8, the Department, in cooperation with the Nevada Cultural Affairs Foundation or its successor, shall design, prepare and issue license plates which commemorate the 150th anniversary of Nevada's admission into the Union, using any colors and designs that the Department deems appropriate.

2. The Department shall issue the commemorative license 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~~ :

(a) Special legislative license plates issued to a Legislator pursuant to NRS 482.374 be combined with the commemorative license plates if that person:

(1) Qualifies for special legislative license plates issued pursuant to NRS 482.374; and

(2) Pays the fees for the special legislative license plates in addition to the fees for the commemorative license plates pursuant to subsections 3 and 4; or

(b) Personalize 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 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 \$7.50, in addition to all other applicable registration and license fees and governmental services taxes. The Department shall deposit the fee collected pursuant to this subsection with the State Treasurer for credit to the Revolving Account for the Issuance of Special License Plates created pursuant to NRS 482.1805.

4. Except as otherwise provided in this subsection, in addition to all other applicable registration and license fees and governmental services taxes and the fees 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 a fee of \$20, to be distributed pursuant to subsection 5. The fees otherwise required to be paid pursuant to this subsection must not be charged after the date announced by the Director pursuant to subsection 8.

5. The Department shall deposit the fees collected pursuant to subsection 4 with the State Treasurer for credit to the State General Fund. For the duration of the collection of such fees, the State Treasurer shall, on a quarterly basis, distribute the fees to the Nevada Cultural Affairs Foundation or its successor to be used for:

(a) A celebration of the 150th anniversary of Nevada's admission into the Union;

(b) Projects relating to the commemoration of Nevada's admission to the Union, including, without limitation, historical markers, tours of historic sites and improvements to or restoration of historic buildings and structures;

(c) Education relating to the history of the State of Nevada; and

(d) Other projects relating to preserving and protecting the heritage of the State of Nevada.

6. On or before January 1 of each calendar year, the Division of Museums and History of the Department of Tourism and Cultural Affairs shall produce a report of:

(a) Revenues received from the issuance of the commemorative license plates issued pursuant to the provisions of this section; and

(b) Associated expenditures,

➔ and shall submit the report to the Director of the Legislative Counsel Bureau for transmission to the Legislature or the Legislative Commission, as appropriate.

7. If, during a registration year, the holder of the commemorative 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 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.

8. The Director shall determine and, by public proclamation, announce the last date on which the Department will issue the commemorative license plates. The Department shall publish the announcement on its Internet website. In no case may the date that is determined and announced to be the last date on which the Department will issue the commemorative license plates be after October 31, 2016. The Department shall not issue:

(a) The commemorative license plates after the date announced by the Director pursuant to this subsection.

(b) Replacement commemorative license plates for those license plates more than 5 years after the date announced by the Director pursuant to this subsection.

Sec. 2. NRS 482.1805 is hereby amended to read as follows:

482.1805 1. The Revolving Account for the Issuance of Special License Plates is hereby created as a special account in the State Highway Fund. An amount equal to \$35 of the fee received by the Department for the initial issuance of a special license plate, not including any additional fee which may be added to generate financial support for a particular cause or charitable organization, must be deposited in the State Highway Fund for credit to the Account.

2. The Department shall use the money in the Account to:

(a) Pay the expenses involved in issuing special license plates; and

(b) Purchase improved and upgraded technology, including, without limitation, digital technology for the production of special license plates, to ensure that special license plates are produced in the most efficient manner possible.

3. Money in the Account must be used only for the purposes specified in subsection 2.

4. At the end of each fiscal year, the State Controller shall transfer from the Account to the State Highway Fund an amount of money equal to the balance in the Account which exceeds \$50,000.

5. *The provisions of this section do not apply to section 1 of this act.*

Sec. 3. NRS 482.216 is hereby amended to read as follows:

482.216 1. Upon the request of a new vehicle dealer, the Department may authorize the new vehicle dealer to:

(a) Accept applications for the registration of the new motor vehicles he or she sells and the related fees and taxes;

(b) Issue certificates of registration to applicants who satisfy the requirements of this chapter; and

(c) Accept applications for the transfer of registration pursuant to NRS 482.399 if the applicant purchased from the new vehicle dealer a new vehicle to which the registration is to be transferred.

2. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall:

(a) Transmit the applications received to the Department within the period prescribed by the Department;

(b) Transmit the fees collected from the applicants and properly account for them within the period prescribed by the Department;

(c) Comply with the regulations adopted pursuant to subsection 4; and

(d) Bear any cost of equipment which is necessary to issue certificates of registration, including any computer hardware or software.

3. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall not:

(a) Charge any additional fee for the performance of those services;

(b) Receive compensation from the Department for the performance of those services;

(c) Accept applications for the renewal of registration of a motor vehicle; or

(d) Accept an application for the registration of a motor vehicle if the applicant wishes to:

(1) Obtain special license plates pursuant to NRS 482.3667 to 482.3823, inclusive ~~§~~, **and section 1 of this act**; or

(2) Claim the exemption from the governmental services tax provided pursuant to NRS 361.1565 to veterans and their relations.

4. The Director shall adopt such regulations as are necessary to carry out the provisions of this section. The regulations adopted pursuant to this subsection must provide for:

(a) The expedient and secure issuance of license plates and decals by the Department; and

(b) The withdrawal of the authority granted to a new vehicle dealer pursuant to subsection 1 if that dealer fails to comply with the regulations adopted by the Department.

Sec. 4. NRS 482.265 is hereby amended to read as follows:

482.265 1. The Department shall furnish to every owner whose vehicle is registered two license plates for a motor vehicle other than a motorcycle and one license plate for all other vehicles required to be registered hereunder. Upon renewal of registration, the Department may issue one or more license plate stickers, tabs or other suitable devices in lieu of new license plates.

2. The Director shall have the authority to require the return to the Department of all number plates upon termination of the lawful use thereof by the owner under this chapter.

3. Except as otherwise specifically provided by statute, for the issuance of each special license plate authorized pursuant to this chapter:

(a) The fee to be received by the Department for the initial issuance of the special license plate is \$35, exclusive of any additional fee which may be added to generate funds for a particular cause or charitable organization;

(b) The fee to be received by the Department for the renewal of the special license plate is \$10, exclusive of any additional fee which may be added to generate financial support for a particular cause or charitable organization; and

(c) The Department shall not design, prepare or issue a special license plate unless, within 4 years after the date on which the measure authorizing the issuance becomes effective, it receives at least 250 applications for the issuance of that plate.

4. *The provisions of subsection 3 do not apply to section 1 of this act.*

Sec. 5. NRS 482.270 is hereby amended to read as follows:

482.270 1. Except as otherwise provided in this section or by specific statute, the Director shall order the redesign and preparation of motor vehicle license plates . ~~{with colors that are predominately blue and silver. The Director may substitute white in place of silver when no suitable material is available.}~~

2. Except as otherwise provided in subsection 3, the Department shall, upon the payment of all applicable fees, issue redesigned motor vehicle license plates pursuant to this section to persons who apply for the

registration or renewal of the registration of a motor vehicle on or after January 1, 2001.

3. The Department shall not issue redesigned motor vehicle license plates pursuant to this section to a person who was issued motor vehicle license plates before January 1, 1982, or pursuant to NRS 482.3747, 482.3763, 482.3775, 482.378 or 482.379, **or section 1 of this act** without the approval of the person.

4. The Director may determine and vary the size, shape and form and the material of which license plates are made, but each license plate must be of sufficient size to be plainly readable from a distance of 100 feet during daylight. All license plates must be treated to reflect light and to be at least 100 times brighter than conventional painted number plates. When properly mounted on an unlighted vehicle, the license plates, when viewed from a vehicle equipped with standard headlights, must be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet.

5. Every license plate must have displayed upon it:

- (a) The registration number, or combination of letters and numbers, assigned to the vehicle and to the owner thereof;
- (b) The name of this State, which may be abbreviated;
- (c) If issued for a calendar year, the year; and
- (d) If issued for a registration period other than a calendar year, the month and year the registration expires.

6. ~~{Except as otherwise provided in NRS 482.379, all letters and numbers must be of the same size.~~

~~—7.}~~ Each special license plate that is designed, prepared and issued pursuant to NRS 482.367002 must be designed and prepared in such a manner that:

(a) The left-hand one-third of the plate is the only part of the plate on which is displayed any design or other insignia that is suggested pursuant to paragraph (e) of subsection 2 of that section; and

(b) The remainder of the plate conforms to the requirements for ~~{coloring,}~~ lettering and design that are set forth in this section.

Sec. 6. NRS 482.272 is hereby amended to read as follows:

482.272 Each license plate for a motorcycle may contain ~~{up to six}~~ **a number of** characters, including numbers and letters ~~{ }~~, **as determined necessary by the Director.** Only one plate may be issued for a motorcycle.

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. 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~~ 6 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, 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 482.367004 is hereby amended to read as follows:

482.367004 1. There is hereby created the Commission on Special License Plates consisting of five Legislators and three nonvoting members as follows:

(a) Five Legislators appointed by the Legislative Commission:

(1) One of whom is the Legislator who served as the Chair of the Assembly Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Assembly Standing Committee on Transportation during the most recent legislative session.

(2) One of whom is the Legislator who served as the Chair of the Senate Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Senate Standing Committee on Transportation during the most recent legislative session.

(b) Three nonvoting members consisting of:

(1) The Director of the Department of Motor Vehicles, or a designee of the Director.

(2) The Director of the Department of Public Safety, or a designee of the Director.

(3) The Director of the Department of Tourism and Cultural Affairs, or a designee of the Director.

2. Each member of the Commission appointed pursuant to paragraph (a) of subsection 1 serves a term of 2 years, commencing on July 1 of each odd-numbered year. A vacancy on the Commission must be filled in the same manner as the original appointment.

3. Members of the Commission serve without salary or compensation for their travel or per diem expenses.

4. The Director of the Legislative Counsel Bureau shall provide administrative support to the Commission.

5. The Commission shall approve or disapprove:

(a) Applications for the design, preparation and issuance of special license plates that are submitted to the Department pursuant to subsection 1 of NRS 482.367002;

(b) The issuance by the Department of special license plates that have been designed and prepared pursuant to NRS 482.367002; and

(c) Except as otherwise provided in subsection 6, applications for the design, preparation and issuance of special license plates that have been authorized by an act of the Legislature after January 1, 2007.

➔ In determining whether to approve such an application or issuance, the Commission shall consider, without limitation, whether it would be appropriate and feasible for the Department to, as applicable, design, prepare or issue the particular special license plate. The Commission shall consider each application in the chronological order in which the application was received by the Department.

6. The provisions of paragraph (c) of subsection 5 do not apply with regard to special license plates that are issued pursuant to NRS 482.3785 or 482.3787 ~~+~~ **or section 1 of this act.**

7. The Commission shall:

(a) Approve or disapprove any proposed change in the distribution of money received in the form of additional fees. As used in this paragraph, “additional fees” means the fees that are charged in connection with the issuance or renewal of a special license plate for the benefit of a particular cause, fund or charitable organization. The term does not include registration and license fees or governmental services taxes.

(b) If it approves a proposed change pursuant to paragraph (a) and determines that legislation is required to carry out the change, request the assistance of the Legislative Counsel in the preparation of a bill draft to carry out the change.

Sec. 9. NRS 482.367008 is hereby amended to read as follows:

482.367008 1. As used in this section, “special license plate” means:

(a) A license plate that the Department has designed and prepared pursuant to NRS 482.367002 in accordance with the system of application and petition described in that section;

(b) A license plate approved by the Legislature that the Department has designed and prepared pursuant to NRS 482.3747, 482.37903, 482.37905, 482.37917, 482.379175, 482.37918, 482.37919, 482.3792, 482.3793, 482.37933, 482.37934, 482.37935, 482.379355, 482.379365, 482.37937, 482.379375, 482.37938 or 482.37945; and

(c) Except for a license plate that is issued pursuant to NRS 482.3785 or 482.3787, **or section 1 of this act**, a license plate that ~~is~~

~~—(1) Is approved by the Legislature after July 1, 2005 . ~~It~~ and~~

~~—(2) Differs substantially in design from the license plates that are described in subsection 1 of NRS 482.270.~~

2. Notwithstanding any other provision of law to the contrary, the Department shall not, at any one time, issue more than 30 separate designs of special license plates. Whenever the total number of separate designs of special license plates issued by the Department at any one time is less than 30, the Department shall issue a number of additional designs of special license plates that have been authorized by an act of the Legislature or the application for which has been approved by the Commission on Special License Plates pursuant to subsection 5 of NRS 482.367004, not to exceed a total of 30 designs issued by the Department at any one time. Such additional designs must be issued by the Department in accordance with the chronological order of their authorization or approval.

3. Except as otherwise provided in this subsection, on October 1 of each year the Department shall assess the viability of each separate design of special license plate that the Department is currently issuing by determining the total number of validly registered motor vehicles to which that design of special license plate is affixed. The Department shall not determine the total number of validly registered motor vehicles to which a particular design of special license plate is affixed if:

(a) The particular design of special license plate was designed and prepared by the Department pursuant to NRS 482.367002; and

(b) On October 1, that particular design of special license plate has been available to be issued for less than 12 months.

4. ~~Except as otherwise provided in subsection 6, if, It~~ If, on October 1, the total number of validly registered motor vehicles to which a particular design of special license plate is affixed is:

(a) In the case of special license plates designed and prepared by the Department pursuant to NRS 482.367002, less than 1,000; or

(b) In the case of special license plates authorized directly by the Legislature which are described in paragraph (b) of subsection 1, less than

the number of applications required to be received by the Department for the initial issuance of those plates,

→ the Director shall provide notice of that fact in the manner described in subsection 5.

5. The notice required pursuant to subsection 4 must be provided:

(a) If the special license plate generates financial support for a cause or charitable organization, to that cause or charitable organization.

(b) If the special license plate does not generate financial support for a cause or charitable organization, to an entity which is involved in promoting the activity, place or other matter that is depicted on the plate.

6. If, on December 31 of the same year in which notice was provided pursuant to subsections 4 and 5, the total number of validly registered motor vehicles to which a particular design of special license plate is affixed is:

(a) In the case of special license plates designed and prepared by the Department pursuant to NRS 482.367002, less than 1,000; or

(b) In the case of special license plates authorized directly by the Legislature which are described in paragraph (b) of subsection 1, less than the number of applications required to be received by the Department for the initial issuance of those plates,

→ the Director shall, notwithstanding any other provision of law to the contrary, issue an order providing that the Department will no longer issue that particular design of special license plate. Such an order does not require existing holders of that particular design of special license plate to surrender their plates to the Department and does not prohibit those holders from renewing those plates.

Sec. 10. NRS 482.36705 is hereby amended to read as follows:

482.36705 1. Except as otherwise provided in subsection 2:

(a) If a new special license plate is authorized by an act of the Legislature after January 1, 2003, other than a special license plate that is authorized pursuant to NRS 482.379375, the Legislature will direct that the license plate not be designed, prepared or issued by the Department unless the Department receives at least 1,000 applications for the issuance of that plate within 2 years after the effective date of the act of the Legislature that authorized the plate.

(b) In addition to the requirements set forth in paragraph (a), if a new special license plate is authorized by an act of the Legislature after July 1, 2005, the Legislature will direct that the license plate not be issued by the Department unless its issuance complies with subsection 2 of NRS 482.367008.

(c) In addition to the requirements set forth in paragraphs (a) and (b), if a new special license plate is authorized by an act of the Legislature after January 1, 2007, the Legislature will direct that the license plate not be

designed, prepared or issued by the Department unless the Commission on Special License Plates approves the application for the authorized plate pursuant to NRS 482.367004.

2. The provisions of subsection 1 do not apply with regard to special license plates that are issued pursuant to NRS 482.3785 or 482.3787 ~~or~~ **section 1 of this act.**

Sec. 11. NRS 482.3672 is hereby amended to read as follows:

482.3672 1. An owner of a motor vehicle who is a resident of this State and who is regularly employed or engaged as an editor, reporter or photographer by a newspaper or television or radio station may, upon signed application on a form prescribed and provided by the Department, accompanied by:

(a) The fee charged for personalized prestige license plates in NRS 482.367 in addition to all other required registration fees and taxes; and

(b) A letter from the news director, editor or publisher of the periodical or station by whom the person is employed,

➡ be issued license plates upon which is inscribed PRESS with ~~three consecutive numbers.~~ **a number of characters, including numbers and letters, as determined necessary by the Director.**

2. Each person who is eligible for special license plates under this section may apply for one set of plates. The plates may be used only on a private passenger vehicle or a noncommercial truck.

3. When a person to whom special license plates have been issued pursuant to this section leaves the service of the newspaper or station which has provided the letter required by subsection 1, the person shall surrender any special plates he or she possesses to the Department and is entitled to receive regular Nevada license plates. Surrendered plates may be reissued or disposed of in a manner authorized by the regulations of the Department.

4. The Department may adopt regulations governing the issuance of special license plates to members of the press.

5. Special license plates issued pursuant to this section are renewable upon the payment of \$10.

Sec. 12. NRS 482.3675 is hereby amended to read as follows:

482.3675 1. An owner of a motor vehicle who is a United States citizen or a citizen of a foreign country residing in this State and who holds from a foreign country a letter of appointment as an honorary consul may, upon signed application on a form prescribed and provided by the Department, accompanied by:

(a) The fee charged for personalized prestige license plates in NRS 482.367 in addition to all other required registration fees and taxes; and

(b) A copy of the letter of appointment from that country,

↪ be issued a set of license plates upon which is inscribed CONSULAR CORPS with ~~three consecutive numbers.~~ **a number of characters, including numbers and letters, as determined necessary by the Director.**

2. Each person who is eligible for special license plates under this section may apply for one set of plates. The plates may be used only on a private passenger vehicle or a noncommercial truck.

3. When a person to whom special license plates have been issued pursuant to this section loses his or her status as an honorary consul, the person shall surrender any special plates he or she possesses to the Department and is entitled to receive regular Nevada license plates. Surrendered plates may be reissued or disposed of in a manner authorized by the regulations of the Department.

4. The Department may adopt regulations governing the issuance of special license plates to honorary consuls of foreign countries. The Department shall include on the form for application a notice to the applicant that the issuance of such license plates does not confer any diplomatic immunity.

5. Special license plates issued pursuant to this section are renewable upon the payment of \$10.

Sec. 13. NRS 482.3755 is hereby amended to read as follows:

482.3755 1. An owner of a motor vehicle who is a resident of this State and is a member of the Nevada Wing of the Civil Air Patrol may, upon application on a form prescribed and furnished by the Department, signed by the member and his or her commanding officer and accompanied by proof of membership, be issued license plates upon which is inscribed "CIVIL AIR PATROL" with ~~four consecutive numbers.~~ **a number of characters, including numbers and letters, as determined necessary by the Director.** The fee for the special license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The annual fee for a renewal sticker is \$10.

2. Each member may request two sets of license plates as described in subsection 1. The second set of license plates for an additional vehicle must have a different number than the first set of license plates issued to the same member. The license plates may only be used on private passenger vehicles or noncommercial trucks.

3. Any member of the Nevada Wing of the Civil Air Patrol who retires or is honorably discharged may retain any license plates issued to the member pursuant to subsection 1. If a member is dishonorably discharged, he or she shall surrender any of these special plates in his or her possession to the Department at least 10 days before the member's discharge and, in lieu of those plates, is entitled to receive regular Nevada license plates.

Sec. 14. NRS 482.376 is hereby amended to read as follows:

482.376 1. An owner of a motor vehicle who is a resident of this State and is an enlisted or commissioned member of the Nevada National Guard may, upon application on a form prescribed and furnished by the Department, signed by the member and his or her commanding officer and accompanied by proof of enlistment, be issued license plates upon which is inscribed NAT'L GUARD with ~~{four consecutive numbers.}~~ **a number of characters, including numbers and letters, as determined necessary by the Director.** The applicant shall comply with the laws of this State concerning motor vehicles, including the payment of the regular registration fees, as prescribed by this chapter. There is an additional fee of \$5 for the issuance of those plates.

2. Each member may request two sets of license plates as described in subsection 1. The second set of license plates for an additional vehicle must have a different number than the first set of license plates issued to the same member. The license plates may only be used on private passenger vehicles or noncommercial trucks.

3. Any member of the Nevada National Guard other than the Adjutant General, who retires or is honorably discharged may retain any license plates issued to the member pursuant to subsection 1. The Adjutant General shall surrender any license plates issued to him or her as Adjutant General to the Department when he or she leaves office, and may then be issued special license plates as described in subsection 1. If a member is dishonorably discharged, the member shall surrender any of these special plates in his or her possession to the Department at least 10 days before the member's discharge and, in lieu of those plates, is entitled to receive regular Nevada license plates.

Sec. 15. NRS 482.3765 is hereby amended to read as follows:

482.3765 1. A veteran of the Armed Forces of the United States who survived the attack on Pearl Harbor on December 7, 1941, is entitled to specially designed license plates inscribed with the words "PEARL HARBOR VETERAN" or "PEARL HARBOR SURVIVOR," at the option of the veteran, and ~~{three or four consecutive numbers.}~~ **a number of characters, including numbers and letters, as determined necessary by the Director.**

2. Each person who qualifies for special license plates pursuant to this section may apply for not more than two sets of plates. If the person applies for a second set of plates for an additional vehicle, the second set of plates must have a different number than the first set of plates issued to the same applicant. Special license plates issued pursuant to this section may be used only on a private passenger vehicle, a noncommercial truck or a motor home.

3. The Department shall issue specially designed license plates for persons qualified pursuant to this section who submit an application on a form prescribed by the Department and evidence of their status as a survivor required by the Department.

4. If, during a registration year, the holder of a set of special 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 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.

5. The fee for a set of special license plates issued pursuant to this section is \$25, in addition to all other applicable registration and license fees and governmental services taxes. The annual fee for a renewal sticker for a set of special license plates issued pursuant to this section is \$5.

Sec. 16. NRS 482.377 is hereby amended to read as follows:

482.377 1. A veteran of the Armed Forces of the United States who, as a result of his or her service:

(a) Has suffered a 100-percent service-connected disability and who receives compensation from the United States for the disability is entitled to specially designed license plates inscribed with the words "DISABLED VETERAN," "DISABLED FEMALE VETERAN" or "VETERAN WHO IS DISABLED," at the option of the veteran, and ~~three or four consecutive numbers.~~ ***a number of characters, including numbers and letters, as determined necessary by the Director.***

(b) Has been captured and held prisoner by a military force of a foreign nation is entitled to specially designed license plates inscribed with the words "EX PRISONER OF WAR" and ***a number of characters, including numbers and letters, as determined necessary by the Director.*** ~~three or four consecutive numbers.~~

2. Each person who qualifies for special license plates pursuant to this section may apply for not more than two sets of plates. If the person applies for a second set of plates for an additional vehicle, the second set of plates must have a different number than the first set of plates issued to the same applicant. Special license plates issued pursuant to this section may be used only on a private passenger vehicle, a noncommercial truck or a motor home.

3. The Department shall issue specially designed license plates for persons qualified pursuant to this section who submit an application on a form prescribed by the Department and evidence of disability or former imprisonment required by the Department.

4. A vehicle on which license plates issued by the Department pursuant to this section are displayed is exempt from the payment of any parking fees, including those collected through parking meters, charged by the State or any political subdivision or other public body within the State, other than the United States.

5. If, during a registration year, the holder of a set of special 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 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.

Sec. 17. 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.}~~ **a number of characters, including numbers and letters, as determined necessary by the Director.**

3. If, during a registration year, 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. 18. NRS 482.3814 is hereby amended to read as follows:

482.3814 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 earlier than 1949, but at least 20 years before the application is submitted to the Department.

2. License plates issued pursuant to this section must be inscribed with the words "CLASSIC ROD" and ~~three or four consecutive numbers.~~ **a number of characters, including numbers and letters, as determined necessary by the Director.**

3. If, during a registration year, 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. 19. 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.~~ **a number of characters, including numbers and letters, as determined necessary by the Director.**

3. If, during a registration year, 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. 20. 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 section 1 of this act**, 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, 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 ~~1-1~~, **and section 1 of this act**. The term includes the successor, if any, of a charitable organization.

Sec. 21. NRS 482.500 is hereby amended to read as follows:

482.500 1. Except as otherwise provided in subsection 2 or 3, whenever upon application any duplicate or substitute certificate of registration, decal or number plate is issued, the following fees must be paid:

For a certificate of registration	\$5.00
For every substitute number plate or set of plates	5.00
For every duplicate number plate or set of plates.....	10.00
For every decal displaying a county name	50
For every other decal, license plate sticker or tab	5.00

2. The following fees must be paid for any replacement plate or set of plates issued for the following special license plates:

(a) For any special plate issued pursuant to NRS 482.3667, 482.367002, 482.3672, 482.3675, 482.370 to 482.376, inclusive, or 482.379 to 482.3818, inclusive, **and section 1 of this act**, a fee of \$10.

(b) For any special plate issued pursuant to NRS 482.368, 482.3765, 482.377 or 482.378, a fee of \$5.

(c) Except as otherwise provided in paragraph (a) of subsection 1 of NRS 482.3824, for any souvenir license plate issued pursuant to NRS 482.3825 or sample license plate issued pursuant to NRS 482.2703, a fee equal to that established by the Director for the issuance of those plates.

3. A fee must not be charged for a duplicate or substitute of a decal issued pursuant to NRS 482.37635.

4. The fees which are paid for duplicate number plates and decals displaying county names must be deposited with the State Treasurer for credit to the Motor Vehicle Fund and allocated to the Department to defray the costs of duplicating the plates and manufacturing the decals.

Sec. 22. Notwithstanding the provisions of subsection 6 of section 1 of this act, the report of revenues and associated expenditures that is required to be submitted to the Director of the Legislative Counsel Bureau pursuant to those provisions must be submitted by the Nevada Sesquicentennial Commission, established by the Governor pursuant to executive order, for the period from the effective date of this act through January 1, 2015.

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

Assemblyman Carrillo moved that the Assembly concur in the Senate Amendment No. 874 to Assembly Bill No. 24.

Remarks by Assemblyman Carrillo.

ASSEMBLYMAN CARRILLO:

Amendment 874, which was adopted by the Senate, provides that a legislator may obtain a commemorative license plate that is combined with a special legislative license plate if the legislator pays the fees for the special legislative license plates in addition to the fees for the commemorative license plates.

The amendment also allows for the Director of the Department of Motor Vehicles to determine the number of characters that may be included in the design of the ex-prisoner of war license plate.

Motion carried by a constitutional majority.

Bill ordered to enrollment.

Assembly Bill No. 145.

The following Senate amendment was read:

Amendment No. 932.

AN ACT relating to transportation; authorizing certain officials in each county responsible for the maintenance and repair of certain roads to establish a Complete Streets program for retrofitting certain roads to improve access to those roads by all users; allowing a person who is registering or

renewing the registration of a vehicle at a kiosk or via the Internet to make a voluntary contribution at that time to the Complete Streets program in his or her county; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, in a county whose population is less than 100,000 (currently all counties other than Clark and Washoe Counties), the board of county highway commissioners is authorized to construct, repair and maintain public highways and roads within the county. (NRS 403.090) Existing law also provides that a county may, by ordinance, create a regional transportation commission if a streets and highways plan has been adopted by the county or regional planning commission. (NRS 277A.170) **Section 5** of this bill allows a regional transportation commission to adopt a policy for a Complete Streets program, which means a program for the retrofitting of streets or highways under the jurisdiction of the commission for the primary purpose of adding or significantly repairing facilities that provide street or highway access considering all users, including, without limitation, pedestrians, bicycle riders, persons with a disability, persons who use public transportation and motorists. **Section 4.8** of this bill allows the board of county commissioners, in a county whose population is 100,000 or more (currently Clark and Washoe Counties) and in which a regional transportation commission does not exist, to adopt a Complete Streets program. **Section 9** of this bill allows the board of county highway commissioners, in a county whose population is less than 100,000 and in which a regional transportation commission does not exist, to adopt a Complete Streets program.

Sections 2 and 3 of this bill require the Department of Motor Vehicles to include on each application for vehicle registration or renewal of registration that is completed at a kiosk or via the Internet notice of a **nonrefundable and** voluntary \$2 contribution to be made to the Complete Streets program in the county where the vehicle is to be registered ~~unless~~ **if** the person registering the vehicle or renewing the registration indicates on that application that he or she wishes to opt ~~out of~~ **in to** making the contribution. **Section 1** of this bill requires the Department of Motor Vehicles to distribute monthly the money collected from the voluntary contributions to the transportation officials in the respective counties. **Section 1 also authorizes the Department to retain 1 percent of the money collected as reimbursement for the costs of collecting and distributing the money.**

Sections 4.8, 5 and 9 require that a board of county commissioners, regional transportation commission or a board of county highway commissioners which receives money from the Department of Motor Vehicles for a Complete Streets program use that money only for projects that are a part of such a program.

Section 16.5 of this bill requires the Director of the Department of Motor Vehicles to determine when sufficient resources are available for the Department to carry out the provisions of this bill, and to provide notice of that fact. **Section 17** of this bill provides that this bill becomes effective: (1) upon passage and approval, for the purpose of adopting regulations and performing other preparatory administrative tasks; and (2) for all other purposes, upon the earlier of October 1, 2015, or the date on which the Director provides notice that sufficient resources are available for the Department to carry out the provisions of this bill.

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:

1. ~~Any~~ *Except as otherwise provided in subsection 3, any voluntary contributions collected pursuant to subsection 11 of NRS 482.480 must be distributed to each county based on the county of registration of the vehicle for which the contribution was made, to be used as provided in section 4.8, 5 or 9 of this act, as applicable. The Department shall remit monthly the contributions directly:*

(a) *In a county in which a regional transportation commission exists, to the regional transportation commission.*

(b) *In a county whose population is 100,000 or more and in which a regional transportation commission does not exist, to the board of county commissioners.*

(c) *In a county whose population is less than 100,000 and in which a regional transportation commission does not exist, to the board of county highway commissioners created pursuant to NRS 403.010.*

2. *The Department shall certify monthly to the State Board of Examiners the amount of the voluntary contributions collected pursuant to subsection 11 of NRS 482.480 for each county by the Department and its agents during the preceding month, and that the money has been distributed as provided in this section.*

3. *The Department shall deduct and withhold 1 percent of the contributions collected pursuant to subsection 1 to reimburse the Department for its expenses in collecting and distributing the contributions.*

4. *As used in this section, "regional transportation commission" means a regional transportation commission created and organized in accordance with chapter 277A of NRS.*

Sec. 2. NRS 482.215 is hereby amended to read as follows:

482.215 1. All applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Except as otherwise provided in NRS 482.294, applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the Department or to a registered dealer.

3. Each application must be made upon the appropriate form furnished by the Department and contain:

(a) The signature of the owner, except as otherwise provided in subsection 2 of NRS 482.294, if applicable.

(b) The owner's residential address.

(c) The owner's declaration of the county where he or she intends the vehicle to be based, unless the vehicle is deemed to have no base. The Department shall use this declaration to determine the county to which the governmental services tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and the last license number, if known, and the state in which it was issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this State for the make to be registered to the person first purchasing or operating the vehicle.

(e) Except as otherwise provided in this paragraph, if the applicant is not an owner of a fleet of vehicles or a person described in subsection 5:

(1) Proof satisfactory to the Department or registered dealer that the applicant carries insurance on the vehicle provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185; and

(2) A declaration signed by the applicant that he or she will maintain the insurance required by NRS 485.185 during the period of registration. If the application is submitted by electronic means pursuant to NRS 482.294, the applicant is not required to sign the declaration required by this subparagraph.

(f) If the applicant is an owner of a fleet of vehicles or a person described in subsection 5, evidence of insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185:

(1) In the form of a certificate of insurance on a form approved by the Commissioner of Insurance;

(2) In the form of a card issued pursuant to NRS 690B.023 which identifies the vehicle; or

(3) In another form satisfactory to the Department.

↪ The Department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

(h) If the application for registration is submitted via the Internet, a statement which informs the applicant that he or she may make a nonrefundable monetary contribution of \$2 for each vehicle registered for the Complete Streets program, if any, created pursuant to section 4.8, 5 or 9 of this act, as applicable, based on the declaration made pursuant to paragraph (c). The application form must state in a clear and conspicuous manner that a contribution for a Complete Streets program is nonrefundable and voluntary and is in addition to any fees required for registration, and must include a method by which the applicant ~~can~~ must indicate his or her intention to opt in or opt out of making such a contribution.

4. The application must contain such other information as is required by the Department or registered dealer and must be accompanied by proof of ownership satisfactory to the Department.

5. For purposes of the evidence required by paragraph (f) of subsection 3:

(a) Vehicles which are subject to the fee for a license and the requirements of registration of the Interstate Highway User Fee Apportionment Act, and which are based in this State, may be declared as a fleet by the registered owner thereof on his or her original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance covering that fleet.

(b) Other fleets composed of 10 or more vehicles based in this State or vehicles insured under a blanket policy which does not identify individual vehicles may each be declared annually as a fleet by the registered owner thereof for the purposes of an application for his or her original or any renewed registration. The owner may file a single certificate of insurance covering that fleet.

(c) A person who qualifies as a self-insurer pursuant to the provisions of NRS 485.380 may file a copy of his or her certificate of self-insurance.

(d) A person who qualifies for an operator's policy of liability insurance pursuant to the provisions of NRS 485.186 and 485.3091 may file evidence of that insurance.

Sec. 3. NRS 482.280 is hereby amended to read as follows:

482.280 1. The registration of every vehicle expires at midnight on the day specified on the receipt of registration, unless the day specified falls on a Saturday, Sunday or legal holiday. If the day specified on the receipt of

registration is a Saturday, Sunday or legal holiday, the registration of the vehicle expires at midnight on the next judicial day. The Department shall mail to each holder of a certificate of registration a notification for renewal of registration for the following period of registration. The notifications must be mailed by the Department in sufficient time to allow all applicants to mail the notifications to the Department or to renew the certificate of registration at a kiosk or authorized inspection station or via the Internet or an interactive response system and to receive new certificates of registration and license plates, stickers, tabs or other suitable devices by mail before the expiration of their registrations. An applicant may present or submit the notification to any agent or office of the Department.

2. A notification:

(a) Mailed or presented to the Department or to a county assessor pursuant to the provisions of this section;

(b) Submitted to the Department pursuant to NRS 482.294; or

(c) Presented to an authorized inspection station or authorized station pursuant to the provisions of NRS 482.281,

➡ must include, if required, evidence of compliance with standards for the control of emissions.

3. The Department shall include with each notification mailed pursuant to subsection 1:

(a) The amount of the governmental services tax to be collected pursuant to the provisions of NRS 482.260.

(b) The amount set forth in a notice of nonpayment filed with the Department by a local authority pursuant to NRS 484B.527.

(c) A statement which informs the applicant:

(1) That, pursuant to NRS 485.185, the applicant is legally required to maintain insurance during the period in which the motor vehicle is registered which must be provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State; and

(2) Of any other applicable requirements set forth in chapter 485 of NRS and any regulations adopted pursuant thereto.

(d) A statement which informs the applicant that, if the applicant renews a certificate of registration at a kiosk or via the Internet, he or she may make a nonrefundable monetary contribution of \$2 for each vehicle registration renewed for the Complete Streets program, if any, created pursuant to section 4.8, 5 or 9 of this act, as applicable, based on the declaration made pursuant to paragraph (c) of subsection 3 of NRS 482.215. The notification must state in a clear and conspicuous manner that a contribution for a Complete Streets program is

nonrefundable and voluntary and is in addition to any fees required for registration.

4. An application for renewal of a certificate of registration submitted at a kiosk or via the Internet must include a statement which informs the applicant that he or she may make a nonrefundable monetary contribution of \$2, for each vehicle registration which is renewed at a kiosk or via the Internet, for the Complete Streets program, if any, created pursuant to subsection 4.8, 5 or 9 of this act, as applicable, based on the declaration made pursuant to paragraph (c) of subsection 3 of NRS 482.215. The application must state in a clear and conspicuous manner that a contribution for a Complete Streets program is nonrefundable and voluntary and is in addition to any fees required for registration, and must include a method by which the applicant ~~can~~ must indicate his or her intention to opt in or opt out of making such a contribution.

~~{4.}~~ 5. An owner who has made proper application for renewal of registration before the expiration of the current registration but who has not received the license plate or plates or card of registration for the ensuing period of registration is entitled to operate or permit the operation of that vehicle upon the highways upon displaying thereon the license plate or plates issued for the preceding period of registration for such a time as may be prescribed by the Department as it may find necessary for the issuance of the new plate or plates or card of registration.

Sec. 4. NRS 482.480 is hereby amended to read as follows:

482.480 There must be paid to the Department for the registration or the transfer or reinstatement of the registration of motor vehicles, trailers and semitrailers, fees according to the following schedule:

1. Except as otherwise provided in this section, for each stock passenger car and each reconstructed or specially constructed passenger car registered to a person, regardless of weight or number of passenger capacity, a fee for registration of \$33.

2. Except as otherwise provided in subsection 3:

(a) For each of the fifth and sixth such cars registered to a person, a fee for registration of \$16.50.

(b) For each of the seventh and eighth such cars registered to a person, a fee for registration of \$12.

(c) For each of the ninth or more such cars registered to a person, a fee for registration of \$8.

3. The fees specified in subsection 2 do not apply:

(a) Unless the person registering the cars presents to the Department at the time of registration the registrations of all the cars registered to the person.

(b) To cars that are part of a fleet.

4. For every motorcycle, a fee for registration of \$33 and for each motorcycle other than a trimobile, an additional fee of \$6 for motorcycle safety. The additional fee must be deposited in the State Highway Fund for credit to the Account for the Program for the Education of Motorcycle Riders.

5. For each transfer of registration, a fee of \$6 in addition to any other fees.

6. Except as otherwise provided in subsection 7 of NRS 485.317, to reinstate the registration of a motor vehicle that is suspended pursuant to that section:

(a) A fee as specified in NRS 482.557 for a registered owner who failed to have insurance on the date specified by the Department, which fee is in addition to any fine or penalty imposed pursuant to NRS 482.557; or

(b) A fee of \$50 for a registered owner of a dormant vehicle who cancelled the insurance coverage for that vehicle or allowed the insurance coverage for that vehicle to expire without first cancelling the registration for the vehicle in accordance with subsection 3 of NRS 485.320, ➡ both of which must be deposited in the Account for Verification of Insurance which is hereby created in the State Highway Fund. The money in the Account must be used to carry out the provisions of NRS 485.313 to 485.318, inclusive.

7. For every travel trailer, a fee for registration of \$27.

8. For every permit for the operation of a golf cart, an annual fee of \$10.

9. For every low-speed vehicle, as that term is defined in NRS 484B.637, a fee for registration of \$33.

10. To reinstate the registration of a motor vehicle that is suspended pursuant to NRS 482.451, a fee of \$33.

11. *For each vehicle for which the registered owner has ~~not~~ indicated his or her intention to opt ~~out of~~ in to making a contribution pursuant to paragraph (h) of subsection 3 of NRS 482.215 or subsection 4 of NRS 482.280, a contribution of \$2. The contribution must be distributed to the appropriate county pursuant to section 1 of this act.*

Sec. 4.2. Chapter 244 of NRS is hereby amended by adding thereto the provisions set forth as sections 4.4, 4.6 and 4.8 of this act.

Sec. 4.4. *As used in this section and sections 4.6 and 4.8 of this act, "regional transportation commission" has the meaning ascribed to it in section 1 of this act.*

Sec. 4.6. 1. *In a county whose population is 100,000 or more and in which a regional transportation commission does not exist, the board of county commissioners shall create in the county treasury a fund to be known as the Complete Streets fund, for the purpose of:*

(a) *Executing projects as a part of a Complete Streets program pursuant to section 4.8 of this act; and*

(b) *Matching federal money from any federal source for the execution of projects as a part of a Complete Streets program pursuant to section 4.8 of this act.*

2. *The county treasurer shall deposit money that is collected pursuant to paragraph (b) of subsection 1 of section 1 of this act in the Complete Streets fund.*

3. *The board of county commissioners shall administer the Complete Streets fund.*

4. *The board of county commissioners may accept gifts and donations for deposit in the Complete Streets fund.*

Sec. 4.8. 1. *In a county whose population is 100,000 or more and in which a regional transportation commission does not exist, the board of county commissioners may adopt a policy for a Complete Streets program and may plan and carry out projects as a part of a Complete Streets program.*

2. *Any money received by a board of county commissioners pursuant to paragraph (b) of subsection 1 of section 1 of this act must be used solely for the execution of projects as a part of a Complete Streets program.*

3. *A board of county commissioners must not cause or allow any portion of the Complete Streets fund created pursuant to section 4.6 of this act to be used for a purpose other than those set forth in this section.*

4. *As used in this section, "Complete Streets program" means a program for the retrofitting of roads that are under the jurisdiction of the board of county commissioners for the primary purpose of adding or significantly repairing facilities which provide road access considering all users, including, without limitation, pedestrians, bicycle riders, persons with a disability, persons who use public transportation and motorists. The term includes the operation of a public transit system as part of a Complete Streets program, but the term does not include the purchase of vehicles or other hardware for a public transit system.*

Sec. 5. Chapter 277A of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A commission may adopt a policy for a Complete Streets program and may plan and carry out projects as a part of a Complete Streets program.*

2. *Any money received by a commission pursuant to paragraph (a) of subsection 1 of section 1 of this act must be used solely for the execution of projects as a part of a Complete Streets program.*

3. *A commission must not cause or allow any portion of the Complete Streets fund created pursuant to NRS 277A.240 to be used for a purpose other than those set forth in this section.*

4. *As used in this section, "Complete Streets program" means a program for the retrofitting of streets or highways that are under the jurisdiction of the commission for the primary purpose of adding or significantly repairing facilities which provide street or highway access considering all users, including, without limitation, pedestrians, bicycle riders, persons with a disability, persons who use public transportation and motorists. The term includes the operation of a public transit system as part of a Complete Streets program, but the term does not include the purchase of vehicles or other hardware for a public transit system.*

Sec. 6. NRS 277A.240 is hereby amended to read as follows:

277A.240 The commission :

1. *Except as otherwise provided in subsection 2, may establish a fund consisting of contributions from private sources, the State or the county and cities and towns within the jurisdiction of the commission for the purpose of matching federal money from any federal source.*

2. *Shall establish a fund consisting of distributions from the Department of Motor Vehicles pursuant to paragraph (a) of subsection 1 of section 1 of this act, to be known as the Complete Streets fund, for the purpose of:*

(a) *Executing projects as a part of a Complete Streets program pursuant to section 5 of this act; and*

(b) *Matching federal money from any federal source for the execution of projects as a part of a Complete Streets program pursuant to section 5 of this act.*

3. *May accept gifts and donations for deposit in the Complete Streets fund.*

Sec. 7. Chapter 403 of NRS is hereby amended by adding thereto the provisions set forth as sections 7.5, 8 and 9 of this act.

Sec. 7.5. *As used in this section and sections 8 and 9 of this act, "regional transportation commission" has the meaning ascribed to it in section 1 of this act.*

Sec. 8. 1. *The board of county commissioners shall create in the county treasury a fund to be known as the Complete Streets fund, for the purpose of:*

(a) *Executing projects as a part of a Complete Streets program pursuant to section 9 of this act; and*

(b) *Matching federal money from any federal source for the execution of projects as a part of a Complete Streets program pursuant to section 9 of this act.*

2. *The county treasurer shall deposit money that is collected pursuant to paragraph (c) of subsection 1 of section 1 of this act in the Complete Streets fund.*

3. *The board of county highway commissioners shall administer the Complete Streets fund.*

4. *The board of county highway commissioners may accept gifts and donations for deposit in the Complete Streets fund.*

Sec. 9. 1. *A board of county highway commissioners may adopt a policy for a Complete Streets program and may plan and carry out projects as a part of a Complete Streets program.*

2. *Any money received by a board of county highway commissioners pursuant to paragraph (c) of subsection 1 of section 1 of this act must be used solely for the execution of projects as a part of a Complete Streets program.*

3. *As used in this section, "Complete Streets program" means a program for the retrofitting of roads that are under the jurisdiction of the board of county highway commissioners for the primary purpose of adding or significantly repairing facilities which provide road access considering all users, including, without limitation, pedestrians, bicycle riders, persons with a disability, persons who use public transportation and motorists. The term includes the operation of a public transit system as part of a Complete Streets program, but the term does not include the purchase of vehicles or other hardware for a public transit system.*

Sec. 10. NRS 403.160 is hereby amended to read as follows:

403.160 1. If the board of county highway commissioners shall decide not to appoint a county road supervisor for the county, the board may, at its option, create a board of road commissioners for each district. The board of road commissioners shall consist of one to three members.

2. The boundaries of the districts may be fixed by the board of county highway commissioners, and road commissioners may be elected in the same manner as in the case of township officers.

3. Road commissioners shall hold office until their successors are duly elected or appointed, and qualified, and shall take and subscribe to the constitutional oath of office before entering upon their duties.

4. A board of road commissioners shall:

(a) Exercise the duties of the county road supervisor.

(b) Have supervision over all road work within its district, and may appoint whomever the board may choose to do the work.

5. All vouchers shall be signed by at least a majority of the road commissioners and allowed as in the usual course of claims against the county, but , ***except as otherwise provided in section 9 of this act***, no board of road commissioners shall contract for any amount of work in excess of the

funds set aside for such district by the board of county commissioners unless in case of an emergency when, by order of the board of county commissioners, a larger amount may be expended.

6. The board of county commissioners shall set aside for each road district the sums of money apportioned for each road district at the first meeting of the board in January, or as soon thereafter as possible.

Sec. 11. NRS 403.180 is hereby amended to read as follows:

403.180 1. When any roads shall have been rebuilt or constructed and made to meet with such specifications as may be outlined by the board of county highway commissioners, which shall include grading, draining, macadamizing, ~~for~~ graveling ~~+~~ **or retrofitting pursuant to section 9 of this act**, and shall have been declared by the board of county highway commissioners to be standard county roads, then they shall be termed and designated as standard county roads.

2. When the board of county highway commissioners shall have declared and designated any road to be a standard county road, then, **except as otherwise provided in section 9 of this act**, the cost of maintaining such road shall be paid out of the county general fund in the same manner as provided in NRS 403.460.

Sec. 12. NRS 403.435 is hereby amended to read as follows:

403.435 The board of county commissioners of any county is hereby authorized to enter into agreements with the appropriate federal agency for the use of federal funds to construct, improve or maintain roads, other than state highways. The share of any county in the cost of such cooperative road project shall be paid :

1. For a project that is a part of a Complete Streets program pursuant to section 9 of this act, from the Complete Streets fund created pursuant to section 8 of this act; or

2. For any other project, from county road funds; but donations may be accepted in lieu of appropriations from county road funds.

Sec. 13. NRS 403.460 is hereby amended to read as follows:

403.460 1. If, at a primary, general or special election, a majority of the voters of the county vote against the issuance of the bonds for roads and bridges, and no special county road and bridge fund is thereby created, or if for any other reason the fund is not created, **except as otherwise provided in section 9 of this act**, the cost of all county road and bridge work performed must be paid out of the county general fund by order of the board, if that work was performed by the order of and under the direction of the board of county highway commissioners or the county road supervisor, and according to the provisions of this chapter.

2. All claims presented to the board of county highway commissioners must be sworn and subscribed to and attested by the county road supervisor.

Sec. 14. NRS 403.470 is hereby amended to read as follows:

403.470 All money appropriated or expended by the board of county highway commissioners, whether it be appropriated or expended out of the county road and bridge fund which may be created by this chapter, ***the Complete Streets fund created pursuant to section 8 of this act***, or out of the county general fund as provided in NRS 403.460, must be expended by the board of county highway commissioners for the purposes hereinafter named and for no other purposes:

1. For laying out, grading, draining, graveling or macadamizing, maintaining, and, when deemed necessary, sprinkling or oiling roads.
2. The purchase of road machinery necessary for the construction of such roads, and the maintenance of the same.
3. The purchase of property necessary in road construction.
4. The purchase of material and machinery for the construction of all superstructures necessary to the perfect drainage of a highway, and for all work performed by order of and under the direction of the board of county highway commissioners.

5. *The execution of a project that is a part of a Complete Streets program pursuant to section 9 of this act.*

Sec. 15. NRS 403.550 is hereby amended to read as follows:

403.550 1. All claims against the county in relation to the county roads and bridges shall be presented to the clerk of the board of county highway commissioners on a prepared form at least 1 day before the regular meeting of the board. There shall be printed on the form an oath that the amount claimed is just and correct, which must be subscribed to by the claimant. The claim shall also be certified by the county road supervisor.

2. Upon the approval of any claim by the board of county highway commissioners, the county auditor is authorized and required to draw a warrant for the amount named in the claim to the person or persons named therein as claimants, in the usual manner provided by law. Nothing in this subsection shall interfere with or prevent the county auditor from exercising his or her veto power provided by law.

3. The county treasurer shall keep the county road and bridge fund, provided for in this chapter, in a separate and distinct fund. ~~[The]~~ ***Except as otherwise provided in section 8 of this act, the*** county treasurer shall pay out of this fund all warrants drawn on him or her by the county auditor for road purposes, but under no condition shall the county treasurer pay out of this fund for other purposes.

Sec. 16. NRS 403.590 is hereby amended to read as follows:

403.590 1. Whenever it appears to the board of county commissioners that any road district is or would be unreasonably burdened by the expense of constructing or maintenance and repair of any bridge, the board may:

~~{1. Cause}~~

(a) *Except as otherwise provided in subsection 2, cause* all or a portion of the aggregate cost or expense to be paid out of the county general fund, or a portion out of that fund or out of any other county fund in which there is a surplus; or

~~{2.}~~ (b) Levy a tax therefor, not to exceed one-fourth of 1 percent on the taxable property in the county, annually, until the amount appropriated is raised and paid.

2. A board of county commissioners must not cause or allow any portion of the Complete Streets fund created pursuant to section 8 of this act to be used for a purpose other than those set forth in section 9 of this act.

Sec. 16.5. As soon as practicable after January 1, 2014, upon determining that sufficient resources are available to enable the Department of Motor Vehicles to carry out the amendatory provisions of this act, the Director of the Department shall notify the Governor and the Director of the Legislative Counsel Bureau of that fact, and shall publish on the Internet website of the Department notice to the public of that fact.

Sec. 17. This act becomes effective:

1. Upon passage and approval for the purposes of the adoption of regulations and any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. For all other purposes, on:

(a) October 1, 2015; or

(b) The date on which the Director of the Department of Motor Vehicles, pursuant to section 16.5 of this act, notifies the Governor and the Director of the Legislative Counsel Bureau that sufficient resources are available to enable the Department to carry out the amendatory provisions of this act, ➤ whichever occurs first.

Assemblyman Carrillo moved that the Assembly concur in the Senate Amendment No. 932 to Assembly Bill No. 145.

Remarks by Assemblyman Carrillo.

ASSEMBLYMAN CARRILLO:

Amendment 932 makes four changes to Assembly Bill 145. First, it authorizes the DMV to retain a 1 percent commission to cover the cost of collecting and allocating donations to each county for the Complete Streets Program. Second, it provides that the \$2 voluntary contributions are nonrefundable. Third, it provides the option to opt in or opt out of the voluntary donation. Finally, it provides for the acceptance of gifts and donations for deposit in the Complete Streets Fund.

Motion carried by a constitutional majority.

Bill ordered to enrollment.

Assembly Bill No. 139.

The following Senate amendment was read:

Amendment No. 916.

AN ACT relating to business; revising provisions governing the state business portal; revising provisions governing applications for certain authorizations to conduct a business in this State issued by state and local agencies and health districts; requiring certain persons who are not required to obtain a state business license to obtain a certificate of exemption from the Secretary of State; requiring the Secretary of State to issue unique business identification numbers under certain circumstances; revising provisions governing the issuance of certain licenses by incorporated cities and counties; **removing the prohibition against a county clerk refusing to accept for filing certain business certificates in certain circumstances;** revising provisions governing the disclosure of certain information by the Employment Security Division of the Department of Employment, Training and Rehabilitation; **repealing certain provisions;** providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the Secretary of State is required to establish the state business portal to facilitate interaction among businesses and governmental agencies in this State by allowing businesses to conduct necessary transactions with governmental agencies in this State through the state business portal. (NRS 75A.100) **Section 1** of this bill requires the Secretary of State to: (1) establish common business registration information that is used by state and local agencies and health districts to conduct necessary transactions with businesses in this State; and (2) cause the state business portal to provide common business registration information to state and local agencies and health districts that conduct necessary transactions with businesses in this State. **Section 1** further requires state and local agencies and health districts to: (1) integrate their electronic application processes into the state business portal; (2) use the state business portal to accept and disseminate common business registration information that is needed by the state or local agency or health district to issue a license, certificate, registration, permit or similar type of authorization to conduct a business in this State or to engage in an occupation or profession in this State; and (3) make available on the Internet applications for a license, certificate, registration, permit or similar type of authorization to conduct a business in this State or to engage in an occupation or profession in this State and to integrate such applications into the state business portal. **However, section 1 also specifies that a state or local agency or health district is not required to disseminate or release information if such action would result in the state or local agency or health district violating any provision of state or**

federal law relating to the confidentiality of the information. Under **section 9** of this bill: (1) a state or local agency or health district is required to accept common business registration information via the state business portal on or before January 1, 2014, unless the State Board of Examiners extends that deadline; and (2) a state or local agency or health district which believes it cannot comply with certain requirements relating to the state business portal must, with the assistance of the Secretary of State, submit to the State Board of Examiners and the Legislative Commission, on or before July 1, 2014, a written explanation setting forth: (1) the reasons that it cannot timely comply with the requirements; and (2) a timeline for integration into the state business portal.

Under existing law, certain persons are excluded from the definition of “business” for the purposes of state business licenses and, thus, are not required to obtain a state business license. (NRS 76.020) **Section 2** of this bill requires these persons to obtain annually from the Secretary of State a certificate of exemption from the requirement to obtain a state business license. Under **section 2**, a person required to obtain a certificate of exemption must post the certificate conspicuously at his or her establishment or place of business and is subject to a penalty of not more than \$50 if the person fails to do so. **Section 3** of this bill provides that a person required to obtain a state business license must post the state business license conspicuously at his or her establishment or place of business and is subject to a penalty of not more than \$50 if the person fails to do so.

Section 4 of this bill requires the Secretary of State to assign a unique business identification number to each business entity organized in this State and to each person issued a state business license or a certificate of exemption from the requirement to obtain a state business license. Under **section 1**: (1) the Secretary of State must cause the state business portal to interface with the system used by the Secretary of State to assign business identification numbers; and (2) state and local agencies and health districts that issue licenses, certificates, registrations, permits or similar types of authorization to conduct a business in this State or to engage in an occupation or profession in this State must require applicants for such a license, certificate, registration or permit to include the business identification number on the application. **Sections 2 and 3** require that a state business license or certificate of exemption include the business identification number assigned to the holder of the license or certificate.

Sections 5 and 6 of this bill amend provisions governing city and county business licenses so that certain information regarding industrial insurance is provided through the state business portal. **Section ~~7.1~~ 7.3** of this bill ~~provides that the affidavit required by existing law to obtain a local business license to sell certain retail merchandise must include a statement that the~~

~~applicant has a current state business license, or a certificate of exemption from the requirements for a state business license, and the applicant's business identification number.] removes the provision from existing law which prohibits a county clerk, in certain circumstances, from refusing to accept for filing a certificate or renewal certificate concerning persons doing business in this State under an assumed or fictitious name that is filed by a foreign artificial person or persons. Section 7.5 of this bill authorizes the Employment Security Division of the Department of Employment, Training and Rehabilitation to make certain information available to the Secretary of State for certain purposes related to operating and maintaining the state business portal. **Section 8 of this bill repeals certain provisions relating to: (1) the coordination of the collection of certain information and forms from businesses by state agencies and local governments; and (2) the affidavit required to be filed by an applicant who wishes to obtain a local business license to sell certain retail merchandise.**~~

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

Section 1. NRS 75A.100 is hereby amended to read as follows:

75A.100 1. The Secretary of State shall provide for the establishment of a state business portal to facilitate interaction among businesses and governmental agencies in this State by allowing businesses to conduct necessary transactions with governmental agencies in this State through use of the state business portal.

2. The Secretary of State shall:

(a) Establish, through cooperative efforts ~~to~~ ***and consultation with representatives of state agencies, local governments, health districts and businesses,*** the standards and requirements necessary to design, build and implement the state business portal;

(b) Establish the standards and requirements necessary for a state or local agency to participate in the state business portal;

(c) Authorize a state or local agency to participate in the state business portal if the Secretary of State determines that the agency meets the standards and requirements necessary for such participation;

(d) Determine the appropriate requirements to be used by businesses and governmental agencies conducting transactions through use of the state business portal;

(e) ***Cause the state business portal to interface with the system established by the Secretary of State to assign business identification numbers;***

(f) For the purpose of coordinating the collection of common information from businesses using the state business portal:

(1) Establish common business registration information to be collected from businesses by state and local agencies and health districts which issue licenses, certificates, registrations, permits or similar types of authorization to conduct a business in this State, which collect taxes or fees or which conduct other necessary transactions with businesses in this State; and

(2) Cause the state business portal to provide the common business registration information to state and local agencies and health districts which participate in the state business portal and which use the common business registration information to issue licenses, certificates, registrations, permits or similar types of authorization to conduct a business in this State, to collect taxes or fees or to conduct other necessary transactions with businesses in this State;

(g) In carrying out the provisions of this section, consult with the Executive Director of the Office of Economic Development to ensure that the activities of the Secretary of State are consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of NRS 231.053; and

~~[(f)]~~ *(h) Adopt such regulations and take any appropriate action as necessary to carry out the provisions of this chapter.*

3. Each state or local agency or health district that issues a license, certificate, registration, permit or similar type of authorization to conduct a business in this State shall:

(a) To the extent practicable:

(1) Make available on its Internet website any of its applications for a license, certificate, registration, permit or similar type of authorization to conduct a business in this State.

(2) Accept the electronic transfer of common business registration information from the state business portal for use in any electronic application for a license, certificate, registration, permit or similar type of authorization to conduct a business in this State or for use in an application processing system.

(3) Integrate into the state business portal any of its applications for a license, certificate, registration, permit or similar type of authorization to conduct a business in this State. As used in this subparagraph, "integrate" means to consolidate an electronic application process so that it is capable of collecting and disseminating ~~any~~ information ~~required for the authorization~~ to a state or local agency or health district for the processing of the application for a license, certificate, registration, permit or similar type of authorization to conduct a business in this State.

(b) *Require an applicant for a license, certificate, registration, permit or similar type of authorization to conduct a business in this State to include in the application the applicant's business identification number.*

(c) *Ensure that the state or local agency or health district, as applicable, is capable of using the state business portal to accept and disseminate to participating state and local agencies and health districts the common business registration information established pursuant to subparagraph (1) of paragraph (f) of subsection 2 which is needed by the state or local agency or health district to issue a license, certificate, registration, permit or similar type of authorization to conduct a business in this State.*

4. *The provisions of subsection 3 do not require a state or local agency or health district to disseminate or release information if such action would result in the state or local agency or health district violating any provision of state or federal law relating to the confidentiality of the information.*

5. *As used in this section:*

(a) *"Business identification number" means the number assigned by the Secretary of State pursuant to section 4 of this act to an entity organized pursuant to this title or to a person who is issued a state business license pursuant to chapter 76 of NRS or a certificate of exemption from the requirement to obtain a state business license pursuant to section 2 of this act.*

(b) *"Disseminate" means to distribute in an electronic format that is capable of being accepted by participating state and local agencies and health districts and used by participants as the same common business registration information used to issue a license, certificate, registration, permit or similar type of authorization, to collect taxes or fees or to conduct other necessary transactions with businesses in this State.*

(c) *"Health district" means a health district created pursuant to NRS 439.362 or 439.370.*

Sec. 2. Chapter 76 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A person who is not required to obtain a state business license pursuant to paragraphs (b) to (f), inclusive, of subsection 2 of NRS 76.020 must obtain a certificate of exemption from the Secretary of State pursuant to this section.*

2. *An application for a certificate of exemption must be made upon a form prescribed by the Secretary of State and include any information that the Secretary of State deems necessary to determine whether the applicant is exempt from the requirements to obtain a state business license pursuant to paragraphs (b) to (f), inclusive, of subsection 2 of NRS 76.020.*

3. *The application must be signed pursuant to NRS 239.330 by:*

(a) *The owner of a business that is owned by a natural person.*

- (b) A member or partner of an association or partnership.*
- (c) A general partner of a limited partnership.*
- (d) A managing partner of a limited-liability partnership.*
- (e) A manager or managing member of a limited-liability company.*
- (f) An officer of a corporation or some other person specifically authorized by the corporation to sign the application.*

4. If the application for a certificate of exemption is defective in any respect, the Secretary of State may return the application for correction.

5. A certificate of exemption issued pursuant to this section must contain the business identification number assigned by the Secretary of State pursuant to section 4 of this act.

6. A certificate of exemption must be renewed annually. A person who applies for the renewal of a certificate of exemption must submit the application for renewal:

(a) If the person is an entity required to file an annual list with the Secretary of State pursuant to this title, at the time the person submits the annual list to the Secretary of State, unless the person submits a certificate or other form evidencing the dissolution of the entity; or

(b) If the person is not an entity required to file an annual list with the Secretary of State pursuant to this title, on the last day of the month in which the anniversary date of issuance of the certificate of exemption occurs in each year, unless the person submits a written statement to the Secretary of State, at least 10 days before that date, indicating that the person will not be conducting an activity for which a certificate of exemption must be obtained.

7. Every person required to obtain a certificate of exemption pursuant to this section shall post the certificate of exemption conspicuously at the person's establishment or place of business, and keep it so conspicuously posted until the certificate of exemption has expired or the person is no longer required to obtain a certificate of exemption. Any person who fails to post or keep posted a certificate of exemption as required by this section is subject to a penalty of not more than \$50 to be imposed by the Secretary of State.

8. If the Secretary of State discovers that a person has violated the requirements of subsection 7, the Secretary of State shall send a written notice of the violation to the person. The written notice must state that the person may request a hearing by filing a written request for a hearing with the Secretary of State not later than 14 days after the written notice is sent. If the person files a request for a hearing with the Secretary of State not later than 14 days after written notice is sent, the Secretary of State must afford the person an opportunity for a hearing.

Sec. 3. NRS 76.100 is hereby amended to read as follows:

76.100 1. A person shall not conduct a business in this State unless and until the person obtains a state business license issued by the Secretary of State. If the person is:

(a) An entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license at the time of filing the initial or annual list.

(b) Not an entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license before conducting a business in this State.

2. An application for a state business license must:

(a) Be made upon a form prescribed by the Secretary of State;

(b) Set forth the name under which the applicant transacts or intends to transact business, or if the applicant is an entity organized pursuant to this title and on file with the Secretary of State, the exact name on file with the Secretary of State, the entity number as assigned by the Secretary of State, if known, and the location in this State of the place or places of business;

(c) Be accompanied by a fee in the amount of \$100; and

(d) Include any other information that the Secretary of State deems necessary.

➡ If the applicant is an entity organized pursuant to this title and on file with the Secretary of State and the applicant has no location in this State of its place of business, the address of its registered agent shall be deemed to be the location in this State of its place of business.

3. The application must be signed pursuant to NRS 239.330 by:

(a) The owner of a business that is owned by a natural person.

(b) A member or partner of an association or partnership.

(c) A general partner of a limited partnership.

(d) A managing partner of a limited-liability partnership.

(e) A manager or managing member of a limited-liability company.

(f) An officer of a corporation or some other person specifically authorized by the corporation to sign the application.

4. If the application for a state business license is defective in any respect or the fee required by this section is not paid, the Secretary of State may return the application for correction or payment.

5. ***A state business license issued pursuant to this section must contain the business identification number assigned by the Secretary of State pursuant to section 4 of this act.***

6. ***Every person required to obtain a state business license pursuant to this section shall post such license conspicuously at the person's establishment or place of business, and keep it so conspicuously posted until the license has expired or the person ceases to transact such business.***

Any person who fails to post or keep posted a license as required by this section is subject to a penalty of not more than \$50 to be imposed by the Secretary of State.

7. If the Secretary of State discovers that a person has violated the requirements of subsection 6, the Secretary of State shall send a written notice of the violation to the person. The written notice must state that the person may request a hearing by filing a written request for a hearing with the Secretary of State not later than 14 days after the written notice is sent. If the person files a request for a hearing with the Secretary of State not later than 14 days after written notice is sent, the Secretary of State must afford the person an opportunity for a hearing.

8. The state business license required to be obtained pursuant to this section is in addition to any license to conduct business that must be obtained from the local jurisdiction in which the business is being conducted.

~~{6.}~~ 9. For the purposes of this chapter, a person shall be deemed to conduct a business in this State if a business for which the person is responsible:

(a) Is organized pursuant to this title, other than a business organized pursuant to:

(1) Chapter 82 or 84 of NRS; or

(2) Chapter 81 of NRS if the business is a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).

(b) Has an office or other base of operations in this State;

(c) Has a registered agent in this State; or

(d) Pays wages or other remuneration to a natural person who performs in this State any of the duties for which he or she is paid.

~~{7.}~~ 10. As used in this section, “registered agent” has the meaning ascribed to it in NRS 77.230.

Sec. 4. Chapter 225 of NRS is hereby amended by adding thereto a new section to read as follows:

For the purpose of establishing the identity of an entity organized pursuant to title 7 of NRS or a person who is issued a state business license pursuant to chapter 76 of NRS or a certificate of exemption pursuant to section 2 of this act, the Secretary of State shall assign a unique business identification number to each entity organized pursuant to title 7 of NRS or to any person who is issued a state business license pursuant to chapter 76 of NRS or a certificate of exemption pursuant to section 2 of this act.

Sec. 5. NRS 244.33505 is hereby amended to read as follows:

244.33505 1. In a county in which a license to engage in a business is required, the board of county commissioners shall not issue such a license unless the applicant for the license:

(a) Signs an affidavit affirming that the business:

(1) Has received coverage by a private carrier as required pursuant to chapters 616A to 616D, inclusive, and chapter 617 of NRS;

(2) Maintains a valid certificate of self-insurance pursuant to chapters 616A to 616D, inclusive, of NRS;

(3) Is a member of an association of self-insured public or private employers; or

(4) Is not subject to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS; or

(b) If the applicant submits his or her application electronically, attests to his or her compliance with the provisions of paragraph (a).

2. In a county in which such a license is not required, the board of county commissioners shall require a business, when applying for a post office box, to submit to the board the affidavit or attestation required by subsection 1.

3. ~~Each~~ ***Except as otherwise provided in this subsection, each*** board of county commissioners shall submit to the Administrator of the Division of Industrial Relations of the Department of Business and Industry monthly a ~~list~~ ***report*** of the names of those businesses which have submitted an affidavit or attestation required by subsections 1 and 2. ***A board of county commissioners is not required to include in the monthly report required by this subsection the name of a business which has submitted an attestation electronically via the state business portal.***

4. ***Except as otherwise provided in subsection 5, upon*** receiving an affidavit or attestation required by this section, a board of county commissioners shall provide the owner of the business with a document setting forth the rights and responsibilities of employers and employees to promote safety in the workplace, in accordance with regulations adopted by the Division of Industrial Relations of the Department of Business and Industry pursuant to NRS 618.376.

5. ***If a business submits an attestation required by this section electronically via the state business portal, the state business portal shall provide the owner of the business with access to information setting forth the rights and responsibilities of employers and employees to promote safety in the workplace, in accordance with regulations adopted by the Division of Industrial Relations of the Department of Business and Industry pursuant to NRS 618.376.***

6. ***As used in this section, “state business portal” means the state business portal established pursuant to NRS 75A.100, 75A.200 and 75A.300.***

Sec. 6. NRS 268.0955 is hereby amended to read as follows:

268.0955 1. In an incorporated city in which a license to engage in a business is required, the city council or other governing body of the city shall not issue such a license unless the applicant for the license:

(a) Signs an affidavit affirming that the business:

(1) Has received coverage by a private carrier as required pursuant to chapters 616A to 616D, inclusive, and chapter 617 of NRS;

(2) Maintains a valid certificate of self-insurance pursuant to chapters 616A to 616D, inclusive, of NRS;

(3) Is a member of an association of self-insured public or private employers; or

(4) Is not subject to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS; or

(b) If the applicant submits his or her application electronically, attests to his or her compliance with the provisions of paragraph (a).

2. In an incorporated city in which such a license is not required, the city council or other governing body of the city shall require a business, when applying for a post office box, to submit to the governing body the affidavit or attestation required by subsection 1.

3. ~~Each~~ **Except as otherwise provided in this subsection, each** city council or other governing body of an incorporated city shall submit to the Administrator of the Division of Industrial Relations of the Department of Business and Industry monthly a ~~list~~ **report** of the names of those businesses which have submitted an affidavit or attestation required by subsections 1 and 2. **A city council or other governing board of an incorporated city is not required to include in the monthly report required by this subsection the name of a business which has submitted an attestation electronically via the state business portal.**

4. **Except as otherwise provided in subsection 5, upon** receiving an affidavit ~~for attestation~~ required by this section, the city council or other governing body of an incorporated city shall provide the applicant with a document setting forth the rights and responsibilities of employers and employees to promote safety in the workplace in accordance with regulations adopted by the Division of Industrial Relations of the Department of Business and Industry pursuant to NRS 618.376.

5. **If a business submits an attestation required by this section electronically via the state business portal, the state business portal shall provide the owner of the business with access to information setting forth the rights and responsibilities of employers and employees to promote safety in the workplace, in accordance with regulations adopted by the Division of Industrial Relations of the Department of Business and Industry pursuant to NRS 618.376.**

6. *As used in this section, “state business portal” means the state business portal established pursuant to NRS 75A.100, 75A.200 and 75A.300.*

Sec. 7. ~~NRS 364.110 is hereby amended to read as follows:~~

~~364.110 No county license board and no other licensing authority, whether county, city or township, within the State of Nevada, shall issue an initial license or transfer any license to any person, firm or corporation authorizing the person, firm or corporation to engage in, or in any manner carry on, any business of the retail sale of wines, beers, liquors, soft drinks, produce, meats or other foodstuffs, clothing, hardware, or any other type or class of merchandise whatever, without requiring the applicant or applicants for the license to file with the licensing authority an affidavit showing:~~

~~1. ***That the applicant or applicants:***~~

~~(a) ***Maintain an active state business license issued pursuant to chapter 76 of NRS; or***~~

~~(b) ***Have a certificate of exemption from the requirement to obtain a state business license pursuant to section 2 of this act; and***~~

~~2. ***The business identification number assigned to the applicant or applicants by the Secretary of State pursuant to section 4 of this act.***~~

~~3. ***Whether the applicant or applicants are engaged in business under a fictitious name, and if so engaged in business, that the applicant or applicants have complied with the provisions of chapter 602 of NRS.***~~

~~[2.] 4. ***Whether there has been any change in ownership in the business of the applicant or applicants during the preceding calendar year, and if there has been any such change in ownership, that the change was made in compliance with the provisions of chapter 104 of NRS.***~~ **(Deleted by amendment.)**

Sec. 7.3. NRS 602.020 is hereby amended to read as follows:

602.020 1. A certificate filed pursuant to NRS 602.010 or a renewal certificate filed pursuant to NRS 602.035 must state the assumed or fictitious name under which the business is being conducted or is intended to be conducted, and if conducted by:

(a) A natural person:

- (1) His or her full name;
- (2) The street address of his or her residence or business; and
- (3) If the mailing address is different from the street address, the mailing address of his or her residence or business;

(b) An artificial person:

- (1) Its name; and
- (2) Its mailing address;

(c) A general partnership:

- (1) The full name of each partner who is a natural person;

(2) The street address of the residence or business of each partner who is a natural person;

(3) If the mailing address is different from the street address, the mailing address of the residence or business of each partner who is a natural person; and

(4) If one or more of the partners is an artificial person described in paragraph (b), the information required by paragraph (b) for each such partner; or

(d) A trust:

(1) The full name of each trustee of the trust;

(2) The street address of the residence or business of each trustee of the trust; and

(3) If the mailing address is different from the street address, the mailing address of the residence or business of each trustee of the trust.

2. The certificate must be:

(a) Signed:

(1) In the case of a natural person, by that natural person;

(2) In the case of an artificial person, by an officer, director, manager, general partner, trustee or other natural person having the authority to bind the artificial person to a contract;

(3) In the case of a general partnership, by each of the partners who is a natural person and, if one or more of the partners is an artificial person described in subparagraph (2), by the person described in subparagraph (2); or

(4) In the case of a trust, by each of the trustees; and

(b) Notarized, unless the board of county commissioners of the county adopts an ordinance providing that the certificate may be filed without being notarized.

~~3. No county clerk may refuse to accept for filing a certificate filed by a foreign artificial person or foreign artificial persons because the foreign artificial person or foreign artificial persons have not qualified to do business in this State under title 7 of NRS.~~

~~4.1~~ As used in this section:

(a) "Artificial person" means any organization organized under the law of the United States, any foreign country, or a state, province, territory, possession, commonwealth or dependency of the United States or any foreign country, and as to which the government, state, province, territory, possession, commonwealth or dependency must maintain a record showing the organization to have been organized.

~~(b) "Foreign artificial person" means an artificial person that is not organized under the laws of this State.~~

~~—(c)—~~ “Record” means information which is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

Sec. 7.5. NRS 612.265 is hereby amended to read as follows:

612.265 1. Except as otherwise provided in this section and NRS 239.0115, information obtained from any employing unit or person pursuant to the administration of this chapter and any determination as to the benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person’s or employing unit’s identity.

2. Any claimant or a legal representative of a claimant is entitled to information from the records of the Division, to the extent necessary for the proper presentation of the claimant’s claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the Division for any other purpose.

3. Subject to such restrictions as the Administrator may by regulation prescribe, the information obtained by the Division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of laws relating to unemployment compensation, public assistance, workers’ compensation or labor and industrial relations, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The Department of Taxation; ~~and~~

(e) The State Contractors’ Board in the performance of its duties to enforce the provisions of chapter 624 of NRS ~~1-1~~; ~~and~~

(f) The Secretary of State for the purpose of verifying that data submitted electronically via the state business portal established pursuant to NRS 75A.100, 75A.200 and 75A.300 satisfies the requirements established by the Division and, as necessary, for the purpose of maintaining the technical integrity and functionality of the state business portal established pursuant to NRS 75A.100, 75A.200 and 75A.300.

➡ Information obtained in connection with the administration of the Employment Service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

4. Upon written request made by a public officer of a local government, the Administrator shall furnish from the records of the Division the name, address and place of employment of any person listed in the records of employment of the Division. The request must set forth the social security

number of the person about whom the request is made and contain a statement signed by the proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. Except as otherwise provided in NRS 239.0115, the information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The Administrator may charge a reasonable fee for the cost of providing the requested information.

5. The Administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of employees employed by each such employer, if the information released will assist unemployed persons to obtain employment or will be generally useful in developing and diversifying the economic interests of this State. Upon request by a state agency which is able to demonstrate that its intended use of the information will benefit the residents of this State, the Administrator may, in addition to the information listed in this subsection, disclose the number of employees employed by each employer and the total wages paid by each employer. The Administrator may charge a fee to cover the actual costs of any administrative expenses relating to the disclosure of this information to a state agency. The Administrator may require the state agency to certify in writing that the agency will take all actions necessary to maintain the confidentiality of the information and prevent its unauthorized disclosure.

6. Upon request therefor, the Administrator shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment, and may furnish to any state agency similarly charged, the name, address, ordinary occupation and employment status of each recipient of benefits and the recipient's rights to further benefits pursuant to this chapter.

7. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this State may submit a written request to the Administrator that the Administrator furnish, from the records of the Division, the name, address and place of employment of any person listed in the records of employment of the Division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of such a request, the Administrator shall furnish the information requested. The Administrator may charge a fee to cover the actual costs of any related administrative expenses.

8. In addition to the provisions of subsection 5, the Administrator shall provide lists containing the names and addresses of employers, and information regarding the wages paid by each employer to the Department of Taxation, upon request, for use in verifying returns for the taxes imposed pursuant to chapters 363A and 363B of NRS. The Administrator may charge a fee to cover the actual costs of any related administrative expenses.

9. A private carrier that provides industrial insurance in this State shall submit to the Administrator a list containing the name of each person who received benefits pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS during the preceding month and request that the Administrator compare the information so provided with the records of the Division regarding persons claiming benefits pursuant to this chapter for the same period. The information submitted by the private carrier must be in a form determined by the Administrator and must contain the social security number of each such person. Upon receipt of the request, the Administrator shall make such a comparison and, if it appears from the information submitted that a person is simultaneously claiming benefits under this chapter and under chapters 616A to 616D, inclusive, or chapter 617 of NRS, the Administrator shall notify the Attorney General or any other appropriate law enforcement agency. The Administrator shall charge a fee to cover the actual costs of any related administrative expenses.

10. The Administrator may request the Comptroller of the Currency of the United States to cause an examination of the correctness of any return or report of any national banking association rendered pursuant to the provisions of this chapter, and may in connection with the request transmit any such report or return to the Comptroller of the Currency of the United States as provided in section 3305(c) of the Internal Revenue Code of 1954.

11. If any employee or member of the Board of Review, the Administrator or any employee of the Administrator, in violation of the provisions of this section, discloses information obtained from any employing unit or person in the administration of this chapter, or if any person who has obtained a list of applicants for work, or of claimants or recipients of benefits pursuant to this chapter uses or permits the use of the list for any political purpose, he or she is guilty of a gross misdemeanor.

12. All letters, reports or communications of any kind, oral or written, from the employer or employee to each other or to the Division or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of this chapter.

Sec. 8. NRS 237.180 ~~and~~, **364.110 and 364.120 are** hereby repealed.

Sec. 9. 1. A state or local agency or health district is required to use the state business portal to accept common business registration information from the state business portal as required by subparagraph (2) of paragraph (a) of subsection 3 of NRS 75A.100, as amended by section 1 of this act, on or before January 1, 2014, unless the State Board of Examiners extends this deadline pursuant to subsection 2.

2. If a state or local agency or health district believes that it cannot comply with the requirement to accept common business registration information pursuant to subparagraph (2) of paragraph (a) of subsection 3 of NRS 75A.100, as amended by section 1 of this act, on or before January 1, 2014, the state or local agency or health district may submit to the State Board of Examiners a written request to extend the deadline which sets forth the reason for requesting the extension. Upon receipt of a written request to extend the deadline, the State Board of Examiners may extend the deadline set forth in subsection 1 as it deems necessary. The State Board of Examiners shall report to the Legislative Commission each deadline extension approved by the State Board of Examiners pursuant to this subsection.

3. If a state or local agency or health district complies with the requirement to accept common business registration information pursuant to subparagraph (2) of paragraph (a) of subsection 3 of NRS 75A.100, as amended by section 1 of this act, on or before January 1, 2014, but believes that it cannot comply with any other requirement of subsection 3 of NRS 75A.100, as amended by section 1 of this act, the state or local agency or health district, with the assistance of the Secretary of State, shall submit to the State Board of Examiners and the Legislative Commission, on or before July 1, 2014, a written explanation of the status of the integration of the state or local agency or health district into the state business portal which sets forth the reasons that the state or local agency or health district cannot timely comply with the other requirements of subsection 3 of NRS 75A.100 and, to the extent practicable, a projected timeline for integration into the state business portal.

Sec. 10. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 11. This act becomes effective on July 1, 2013.

TEXT OF REPEALED ~~(SECTION)~~ SECTIONS

237.180 Requirements; annual meeting to design and modify joint forms; report of annual meeting.

1. The agencies of this State, and the local governments within this State, that collect taxes or fees from persons engaged in business, or require such persons to provide related information and forms, shall coordinate their

collection of information and forms so that each enterprise is required to furnish information in as few separate reports as possible. This section applies specifically, but is not limited, to the Department of Taxation, the Employment Security Division of the Department of Employment, Training and Rehabilitation, the State Department of Conservation and Natural Resources, and the counties and cities that require a business license.

2. On or before October 1 of each year, the Executive Director of the Department of Taxation shall convene the heads, or persons designated by the respective heads, of the state agencies named in subsection 1 and the appropriate officers of the cities and counties that require a business license. The Secretary of State, a representative of the Nevada Association of Counties and a representative of the Nevada League of Cities must be invited to attend the meeting. If the Executive Director knows, or is made aware by persuasive information furnished by any enterprise required to pay a tax or fee or to provide information, that any other state or local agency needs to participate to accomplish the purpose set forth in subsection 1, the Executive Director shall also invite the head of that agency or the appropriate officer of the local government, and the person so invited shall attend. The Administrator of the Division of Enterprise Information Technology Services of the Department of Administration shall assist in effecting the consolidation of the information and the creation of the forms.

3. The persons so assembled shall design and modify, as appropriate, the necessary joint forms for use during the ensuing fiscal year to accomplish the purpose set forth in subsection 1. If any dispute cannot be resolved by the participants, it must be referred to the Nevada Tax Commission for a decision that is binding on all parties.

4. On or before February 15 of each year, the Executive Director of the Department of Taxation shall submit a report to the Director of the Legislative Counsel Bureau for presentation to the Legislature. The report must include a summary of the annual meeting held during the immediately preceding year and any recommendations for proposed legislation.

5. The provisions of chapter 241 of NRS apply to a meeting held pursuant to this section. The Executive Director of the Department of Taxation shall provide members of the staff of the Department of Taxation to assist in complying with the requirements of chapter 241 of NRS.

364.110 Licensing authority to require affidavit. No county license board and no other licensing authority, whether county, city or township, within the State of Nevada, shall issue an initial license or transfer any license to any person, firm or corporation authorizing the person, firm or corporation to engage in, or in any manner carry on, any business of the retail sale of wines, beers, liquors, soft drinks, produce, meats or other foodstuffs, clothing, hardware, or any other type or class

of merchandise whatever, without requiring the applicant or applicants for the license to file with the licensing authority an affidavit showing:

1. Whether the applicant or applicants are engaged in business under a fictitious name, and if so engaged in business, that the applicant or applicants have complied with the provisions of chapter 602 of NRS.

2. Whether there has been any change in ownership in the business of the applicant or applicants during the preceding calendar year, and if there has been any such change in ownership, that the change was made in compliance with the provisions of chapter 104 of NRS.

364.120 Filing fee for required affidavit. Any licensing authority coming within the provisions of NRS 364.110 is authorized to collect a filing fee of not to exceed \$3 for the filing of the affidavit required to be filed by NRS 364.110.

Assemblywoman Benitez-Thompson moved that the Assembly do not concur in the Senate Amendment No. 916 to Assembly Bill No. 139.

Remarks by Assemblywoman Benitez-Thompson.

Motion carried.

Bill ordered transmitted to the Senate.

Assembly Bill No. 153.

The following Senate amendment was read:

Amendment No. 934.

AN ACT relating to alcoholic beverages; providing for the licensing and operation of craft distilleries in this State; setting forth the conditions under which spirits manufactured at such craft distilleries may be sold; **removing the limitation on the number of barrels of malt beverages that an operator of one or more brew pubs may manufacture in any calendar year; requiring certain notice to be provided for bulk sales of liquor;** providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the operation of brew pubs and instructional wine-making facilities. (NRS 597.230, 597.245) Under existing law, facilities such as brew pubs and instructional wine-making facilities must be licensed, a fee is imposed for the license, and a person who engages in business in this State without having the appropriate permit or license for the business is guilty of a misdemeanor. (NRS 360.490, 369.180, 369.300) **Sections 1, 2-4 and ~~2-8~~ 6-8** of this bill: (1) authorize the operation of craft distilleries in Nevada; (2) set forth the permissible scope of operation for those craft distilleries; (3) require that the craft distilleries be licensed; and (4) impose a licensing fee of \$75.

Existing law prohibits a supplier of malt beverages, distilled spirits and wines from unilaterally terminating or refusing to continue a franchise with a

wholesaler or causing a wholesaler to resign from a franchise without first establishing good cause. (NRS 597.160) **Section 1.5** of this bill revises an exception to that provision so that suppliers who sell less than 2,000 rather than 2,500 barrels of malt beverage in any calendar year are excluded from that requirement.

Existing law prohibits a person who operates one or more brew pubs in a county whose population is 700,000 or more (currently Clark County) from manufacturing more than 15,000 barrels of malt beverages for all the brew pubs the person operates in that county in any calendar year. Additionally, a person who operates one or more brew pubs in a county whose population is less than 700,000 (currently all counties other than Clark County) is prohibited from manufacturing more than 5,000 barrels of malt beverages for all the brew pubs the person operates in that county in any calendar year. (NRS 597.230) Section 4.5 of this bill provides that a person who operates one or more brew pubs in any county is prohibited from manufacturing more than 15,000 barrels of malt beverages for all the brew pubs the person operates in any calendar year.

Section 5.5 of this bill requires a retailer of intoxicating liquors to provide certain advance notice to certain wholesalers of a bulk sale or transfer of liquor which is not in the ordinary course of the retailer's business.

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

Section 1. Chapter 597 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A person may operate a craft distillery if the person:*
 - (a) *Obtains a license for the facility pursuant to chapter 369 of NRS;*
 - (b) *Complies with the requirements of this ~~section~~ chapter; and*
 - (c) *Complies with any other applicable governmental requirements.*
2. *A person who operates a craft distillery pursuant to this section may:*
 - (a) *In addition to manufacturing spirits from agricultural raw materials through distillation, blend, age, store and bottle the spirits so manufactured. The person operating the craft distillery shall ensure that none of the spirits manufactured at the craft distillery are derived from neutral or distilled spirits manufactured by another manufacturer.*
 - (b) *In any calendar year, ~~manufacture for sale~~ sell and transport in Nevada not more than a combined total of 10,000 cases of spirits at all the craft distilleries the person operates ~~+~~ to a person who holds a license to engage in business as a wholesale dealer of liquor pursuant to chapter 369 of NRS.*

(c) *In any calendar year, manufacture for exportation to another state, not more than a combined total of 20,000 cases of spirits at all the craft distilleries the person operates.*

(d) *On the premises of the craft distillery, serve samples of the spirits manufactured at the craft distillery. Any such samples must not exceed, per person, per day, 2 fluid ounces in volume.*

(e) *On the premises of the craft distillery, sell the spirits manufactured at the craft distillery at retail for consumption on or off the premises. Any such spirits sold at retail for off-premises consumption must not exceed, per person, per month, ~~one half of a case~~ 2 bottles of spirits. Spirits purchased on the premises of a craft distillery must not be resold by the purchaser or any retail liquor store.*

3. As used in this section ~~is, "case"~~:

(a) "Bottle of spirits" means a bottle containing 750 milliliters of distilled spirits.

(b) "Case of spirits" means 12 bottles ~~is, each containing 750 milliliters~~ of ~~distilled~~ spirits.

Sec. 1.5. NRS 597.160 is hereby amended to read as follows:

597.160 1. Except as otherwise provided in subsection 4, if more than one franchise for the same brand or brands of malt beverages, distilled spirits and wines, or all of them, is granted to different wholesalers in this state, it is a violation of NRS 597.120 to 597.180, inclusive, for any supplier to discriminate between such wholesalers with respect to any of the terms, provisions and conditions of these franchises.

2. Except as otherwise provided in this subsection and notwithstanding the terms, provisions or conditions of any franchise, a supplier shall not unilaterally terminate or refuse to continue any franchise with a wholesaler or cause a wholesaler to resign from that franchise unless the supplier has first established good cause for that termination, noncontinuance or causing of that resignation. This subsection does not apply to a supplier who sells less than ~~{2,500}~~ 2,000 barrels of malt beverages, less than 250 cases of distilled spirits or less than 2,000 cases of wine in this state in any calendar year, or who operates a winery pursuant to NRS 597.240.

3. A wholesaler may, within 60 days after he or she receives a notice required pursuant to NRS 597.155, correct any failure to comply with the terms, provisions and conditions of the franchise alleged by the supplier.

4. Unless otherwise specified by contract between the supplier and wholesaler, a supplier shall not grant more than one franchise to a wholesaler for any brand of alcoholic beverage in a marketing area.

Sec. 2. NRS 597.200 is hereby amended to read as follows:

597.200 As used in NRS 597.190 to 597.250, inclusive, **and section 1 of this act**, unless the context otherwise requires:

1. “Alcoholic beverage” means any malt beverage or spirituous, vinous or malt liquor which contains 1 percent or more ethyl alcohol by volume.

2. “Brew pub” means an establishment which manufactures malt beverages and sells those malt beverages at retail pursuant to the provisions of NRS 597.230.

3. *“Craft distillery” means an establishment which:*

(a) Manufactures distilled spirits from agricultural raw materials through distillation; and

(b) Is authorized to sell ~~and distribute~~ those distilled spirits pursuant to the provisions of ~~section 1 of this act~~, this chapter.

4. *“Distillation” means the process of producing or purifying spirituous liquor by successive evaporation and condensation.*

5. “Engage in” includes participation in a business as an owner or partner, or through a subsidiary, affiliate, ownership equity or in any other manner.

~~{4.}~~ 6. “Instructional wine-making facility” means an instructional wine-making facility operated pursuant to NRS 597.245.

~~{5.}~~ 7. “Legal age” means the age at which a person is legally permitted to purchase an alcoholic beverage pursuant to NRS 202.020.

~~{6.}~~ 8. “Malt beverage” means beer, ale, porter, stout and other similar fermented beverages of any name or description, brewed or produced from malt, wholly or in part.

~~{7.}~~ 9. “Supplier” has the meaning ascribed to it in NRS 597.140.

~~{8.}~~ 10. “Wine” has the meaning ascribed to it in NRS 369.140.

Sec. 3. NRS 597.210 is hereby amended to read as follows:

597.210 1. Except as otherwise provided in **subsection 2 and** NRS 597.240, a person engaged in business as a supplier or engaged in the business of manufacturing, blending or bottling alcoholic beverages within or without this State shall not ~~engage~~:

(a) Engage in the business of importing, wholesaling or retailing alcoholic beverages ~~{1.}~~; **or**

(b) Operate or otherwise locate his or her business on the premises or property of another person engaged in the business of importing, wholesaling or retailing alcoholic beverages.

2. This section does not:

(a) Preclude any person engaged in the business of importing, wholesaling or retailing alcoholic beverages from owning less than 2 percent of the outstanding ownership equity in any organization which manufactures, blends or bottles alcoholic beverages.

(b) Prohibit a person engaged in the business of rectifying or bottling alcoholic beverages from importing neutral or distilled spirits in bulk only for the express purpose of rectification pursuant to NRS 369.415.

(c) Prohibit a person from operating a brew pub pursuant to NRS 597.230.

(d) Prohibit a person from operating an instructional wine-making facility pursuant to NRS 597.245.

(e) Prohibit a person from operating a craft distillery pursuant to section 1 of this act.

Sec. 4. NRS 597.220 is hereby amended to read as follows:

597.220 1. ~~{Any}~~ **Except as otherwise provided in ~~{subsection 3,}~~ section 1 of this act,** a person who is engaged in the business of importing or wholesaling alcoholic beverages in the State of Nevada shall not engage in the business of retailing alcoholic beverages in this state.

2. For the purposes of this section, a person who transfers or receives alcoholic beverages in the manner described in NRS 369.4865 must not be considered to be engaged in the business of wholesaling alcoholic beverages based solely upon those transfers.

~~{3. This section does not prohibit a person from operating a craft distillery pursuant to section 1 of this act.}~~

Sec. 4.5. **NRS 597.230 is hereby amended to read as follows:**

597.230 1. In ~~{a county whose population is 700,000 or more,}~~ **any county,** a person may operate a brew pub:

(a) In any redevelopment area established in that county pursuant to NRS 279.382 to 279.685, inclusive;

(b) In any historic district established in that county pursuant to NRS 384.005;

(c) In any retail liquor store as that term is defined in NRS 369.090; or

(d) In any other area in the county designated by the board of county commissioners for the operation of brew pubs. In a city which is located in that county, a person may operate a brew pub in any area in the city designated by the governing body of that city for the operation of brew pubs.

➡ A person who operates one or more brew pubs may not manufacture more than 15,000 barrels of malt beverages for all the brew pubs he or she operates in that county in any calendar year.

2. ~~{In a county whose population is less than 700,000, a person may operate a brew pub:~~

~~— (a) In any redevelopment area established in that county pursuant to NRS 279.382 to 279.685, inclusive;~~

~~— (b) In any historic district established in that county pursuant to NRS 384.005;~~

~~— (c) In any retail liquor store as that term is defined in NRS 369.090; or~~

~~— (d) In any other area in the county designated by the board of county commissioners for the operation of brew pubs. In a city which is located in that county, a person may operate a brew pub in any area in the city designated by the governing body of that city for the operation of brew pubs.~~

~~— A person who operates one or more brew pubs may not manufacture more than 5,000 barrels of malt beverages for all brew pubs he or she operates in that county in any calendar year.~~

~~— 3.1~~ The premises of any brew pub operated pursuant to this section must be conspicuously identified as a “brew pub.”

~~14.1~~ **3.** A person who operates a brew pub pursuant to this section may, upon obtaining a license pursuant to chapter 369 of NRS and complying with any other applicable governmental requirements:

(a) Manufacture and store malt beverages on the premises of the brew pub and:

(1) Sell and transport the malt beverages manufactured on the premises to a person holding a valid wholesale wine and liquor dealer’s license or wholesale beer dealer’s license issued pursuant to chapter 369 of NRS.

(2) Donate for charitable or nonprofit purposes and transport the malt beverages manufactured on the premises in accordance with the terms and conditions of a special permit for the transportation of the malt beverages obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

(b) Sell at retail malt beverages manufactured on or off the premises of the brew pub for consumption on the premises.

(c) Sell at retail in packages sealed on the premises of the brew pub, malt beverages, including malt beverages in unpasteurized form, manufactured on the premises for consumption off the premises.

Sec. 5. NRS 597.250 is hereby amended to read as follows:

597.250 The license of any person who violates the provisions of NRS 597.210, 597.220, 597.230 or 597.245 **or section 1 of this act** must be suspended or revoked in the manner provided in chapter 369 of NRS.

Sec. 5.5. Chapter 369 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A retailer who intends to make a bulk sale of liquor shall, at least 30 days before the proposed bulk sale, provide notice to:

(a) A wholesaler who currently sells liquor to the retailer; and

(b) A wholesaler who has sold liquor to the retailer within the immediately preceding 12 months.

2. The notice provided pursuant to subsection 1 must state:

(a) That a sale of liquor which may constitute a bulk sale will be made;

(b) The prospective date of the bulk sale;

(c) The individual, partnership or corporate names and addresses of the retailer and the purchaser of the bulk sale; and

(d) The address to which inquiries about the bulk sale may be made, if different from the retailer’s address.

3. If the retailer owes a debt to the wholesaler associated with the purchase of the liquor that will be sold or transferred through the bulk sale, the notice provided pursuant to subsection 1 must be accompanied by:

(a) A signed affidavit of the retailer which states that the debt owed to the wholesaler will be paid by the retailer to the wholesaler from the proceeds of the bulk sale; or

(b) A signed assumption of the debt by the purchaser of the bulk sale, assuming all the debt owed by the retailer to the wholesaler.

4. Any bulk sale subject to the provisions of this section is void if the retailer fails to satisfy the requirements of subsection 2 or 3, as applicable.

5. As used in this section, "bulk sale" means the sale or transfer to a purchaser in bulk, and not in the ordinary course of the retailer's business, of 50 percent or more of the liquor sold by a wholesaler to the retailer and in the retailer's possession.

Sec. 6. NRS 369.180 is hereby amended to read as follows:

369.180 1. In addition to the limitations imposed by NRS 597.210 and 597.220, a person shall not:

(a) Import liquors into this State unless the person first secures an importer's license or permit from this State.

(b) Engage in business as a wholesale dealer of wines and liquors in this State unless the person first secures a wholesale wine and liquor dealer's license from this State.

(c) Engage in business as a wholesale dealer of beer in this State unless the person first secures a wholesale beer dealer's license from this State.

(d) Operate a winery in this State or export wine from this State unless the person first secures a wine-maker's license from this State.

(e) Operate an instructional wine-making facility in this State unless the person first secures a license for the instructional wine-making facility from this State.

(f) Operate a brewery in this State unless the person first secures a brewer's license from this State.

(g) Operate a brew pub in this State unless the person first secures a brew pub's license from this State.

(h) Operate a craft distillery in this State unless the person first secures a craft distiller's license from this State.

2. A person who holds a license for an instructional wine-making facility:

(a) May engage in any activity authorized by NRS 597.245.

(b) May not engage in any other activity for which a license is required pursuant to this chapter, unless the person holds the appropriate license for that activity.

3. ***A person who holds a license for a craft distillery:***

(a) *May engage in any activity authorized by section 1 of this act.*

(b) *May not engage in any other activity for which a license is required pursuant to this chapter, unless the person holds the appropriate license for that activity.*

4. As used in this section:

(a) “Brew pub” has the meaning ascribed to it in NRS 597.200.

(b) “Brewery” means an establishment which manufactures malt beverages but does not sell those malt beverages at retail.

(c) ***“Craft distillery” has the meaning ascribed to it in NRS 597.200.***

(d) “Malt beverage” has the meaning ascribed to it in NRS 597.200.

Sec. 7. NRS 369.300 is hereby amended to read as follows:

369.300 The following is a schedule of fees to be charged for licenses:

Importer’s wine, beer and liquor license	\$500
Importer’s beer license	150
Wholesale wine, beer and liquor license	250
Wholesale beer dealer’s license	75
Wine-maker’s license	75
License for an instructional wine-making facility	75
Brew pub’s license	75
Brewer’s license	75
<i>Craft distiller’s license</i>	<i>75</i>

Sec. 8. NRS 369.382 is hereby amended to read as follows:

369.382 ~~1-1~~ Except as otherwise provided in ~~subsection 2,~~
NRS 369.386, ~~and~~ 369.415 ~~1-1~~ **and section 1 of this act,** a supplier shall not engage in the business of importing, wholesaling or retailing alcoholic beverages in this State.

~~2. This section does not prohibit a person from operating a craft distillery pursuant to section 1 of this act.~~

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

Assemblyman Bobzien moved that the Assembly concur in the Senate Amendment No. 934 to Assembly Bill No. 153.

Remarks by Assemblyman Bobzien.

ASSEMBLYMAN BOBZIEN:

Current law provides that in counties with a population over 700,000, a brew pub may not manufacture more than 15,000 barrels of malt beverages for a facility, and in counties under 700,000, that maximum figure is 5,000. This amendment makes it 15,000 barrels statewide. The shackles are off, Madam Speaker. For that we are grateful, especially in Washoe County.

Motion carried by a constitutional majority.

Bill ordered to enrollment.

Assembly Bill No. 226.

The following Senate amendment was read:

Amendment No. 928.

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 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, 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. 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; **and** (2) provide each beneficiary with the appropriate claim forms and instructions that detail the procedure for making a claim ~~. It 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 2.5 to 6, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 2.5. *“Benefit contract” has the meaning ascribed to it in NRS 695A.003.*

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;*
- 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) 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; ~~for~~

(b) A policy or certificate of credit life insurance or credit accident and health insurance pursuant to chapter 690A of NRS ~~for~~; or

(c) A policy or certificate of accidental death insurance.

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 seq.*

Sec. 7. *On or before the effective date of a policy of life insurance, 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.*

Sec. 8. 1. *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 beneficiary, perform a comparison against the Death Master File of the policies of life insurance, annuities, benefit contracts and retained asset accounts of its insureds ~~[whose contracts]~~ which are in force. ~~[at the time the insurer performs the comparison.]~~ For the purposes of this subsection, a policy of life insurance, annuity, benefit contract or retained asset account is in force if, at the time of the death of the insured, the policy, annuity, contract or account has not lapsed, has not been cancelled or has not been terminated, and benefits are payable to a beneficiary or beneficiaries under the policy, annuity, contract or account.*

2. *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.*

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;*

(b) *Determine whether the deceased insured had purchased any other products of the insurer; and*

(c) *Determine whether death benefits are due in accordance with the applicable policy of life insurance, annuity 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.*

4. *If the insurer determines that death benefits are due in accordance with the applicable policy, annuity or benefit contract, the insurer shall keep a complete record of all efforts made to locate each beneficiary.*

5. ~~*The insurer shall process all claims and make prompt payments in accordance with NRS 686A.210, 688A.140, 688A.410 and 688B.100 and chapter 695A of NRS, as applicable, and any regulations adopted or order issued by the Commissioner.*~~

~~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, annuity or benefit contract, the death benefit, other than a death benefit payable pursuant to subsection 3 of NRS 695A.210, shall be ~~deemed~~ presumed abandoned pursuant to in accordance with the provisions of NRS 120A.500.

~~7.~~ 6. 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.

~~8.~~ 7. 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. 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:

(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. *The Commissioner may, after notice and a hearing, issue an order:*

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.*

Sec. 11. (Deleted by amendment.)

Sec. 12. This act becomes effective on July 1, 2014.

Assemblyman Bobzien moved that the Assembly concur in the Senate Amendment No. 928 to Assembly Bill No. 226.

Remarks by Assemblyman Bobzien.

ASSEMBLYMAN BOBZIEN:

This amendment provides for a definition of an account being in force for purposes of the bill. This is one of my favorite Commerce and Labor bills of the session, giving rise to the term Death Master File.

Motion carried by a constitutional majority.

Bill ordered to enrollment.

APPOINTMENT OF CONFERENCE COMMITTEES

Madam Speaker appointed Assemblymen Healey, Carrillo, and Ellison as a Conference Committee to meet with a like committee of the Senate for the further consideration of Assembly Bill No. 379.

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

Assembly in recess at 1:12 a.m.

ASSEMBLY IN SESSION

At 1:13 a.m.

Madam Speaker presiding.

Quorum present.

GENERAL FILE AND THIRD READING

Assembly Bill No. 512.

Bill read third time.

Remarks by Assemblyman Martin.

ASSEMBLYMAN MARTIN:

Assembly Bill 512 makes technical corrections to bills previously passed during this legislative session—the 77th Legislative Session, if you didn't realize that. The corrections are necessary to avoid conflicts between bills and to adjust effective dates as necessary and appropriate. This measure is effective upon passage and approval.

Roll call on Assembly Bill No. 512:

YEAS—40.

NAYS—None.

EXCUSED—Hardy, Pierce—2.

Assembly Bill No. 512 having received a constitutional majority, Madam Speaker declared it passed.

Bill ordered transmitted to the Senate.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Horne moved that Senate Bills Nos. 21, 123, 328, 479, 516, 521, be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the Speaker and Chief Clerk signed Assembly Bill No. 84, 207, 212, 225, 240, 377, 395, 465; Assembly Concurrent

Resolution No. 7; Senate Bills Nos. 9, 83, 92, 142, 164, 252, 262, 362, 416, 428, 429, 430, 436, 493; Senate Concurrent Resolution No. 10.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Assemblyman Martin, the privilege of the floor of the Assembly Chamber for this day was extended to John Wall.

Assemblyman Horne moved that the Assembly adjourn until Monday, June 3, 2013, at 8:30 a.m.

Motion carried.

Assembly adjourned at 1:15 a.m.

Approved:

MARILYN K. KIRKPATRICK
Speaker of the Assembly

Attest: SUSAN FURLONG
Chief Clerk of the Assembly