

THE ONE HUNDRED AND NINETEENTH DAY

CARSON CITY (Sunday), June 2, 2013

Senate called to order at 1:28 p.m.

President Krolicki presiding.

Roll called.

All present except Senator Woodhouse, who was excused.

Prayer by the Chaplain, Pastor Albert Tilstra.

Give to the members of this Body open minds, O' God, minds ready to receive and to welcome such new light of knowledge as it is Your will to reveal.

Let not the past ever be so dear to them as to set a limit to the future. Give them the courage to change their minds when that is needed. Let us be tolerant of the thoughts of others, for we never know in what voice You will speak.

Make our ears open to Your voice and make us a little more deaf to whispers of men and women who would persuade us from our duty; for we know in our hearts that only in our will is the peace and prosperity of our land.

We pray in the Name of One who loves to answer prayer.

AMEN.

Pledge of Allegiance to the Flag.

The President announced that under previous order, the reading of the Journal is waived for the remainder of the 77th Legislative Session and the President and Secretary are authorized to make any necessary corrections and additions.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Senate Bills Nos. 293, 521; Assembly Bills Nos. 424, 472, 473, 491, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which was re-referred Senate Bill No. 204, 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 Finance, to which was re-referred Assembly Bill No. 288, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DEBBIE SMITH, *Chair*

Mr. President:

Your Committee on Judiciary, to which was referred Assembly Bill No. 338, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 1, 2013

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Ohrenschall, Diaz and Hansen as a Conference Committee concerning Assembly Bill No. 202.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Cohen, Ohrenschall and Fiore as a Conference Committee concerning Assembly Bill No. 262.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Diaz, Carrillo and Fiore as a Conference Committee concerning Assembly Bill No. 313.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Dondero Loop, Bustamante Adams and Duncan as a Conference Committee concerning Assembly Bill No. 378.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Frierson, Diaz and Fiore as a Conference Committee concerning Assembly Bill No. 415.

MATTHEW BAKER
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Smith moved that, for the remainder of the 77th Legislative Session, all necessary rules be suspended, all bills and resolutions reported out of Committee be immediately placed on the appropriate reading files, time permitting.

Motion carried.

Assembly Concurrent Resolution No. 9.

Resolution read.

Senator Smith moved the adoption of the resolution.

Remarks by Senator Hardy.

Thank you, Mr. President. I have looked at Assembly Concurrent Resolution No. 9, and I do not know if I can find the words. I have appreciated the prayers that have been delivered by our ministers in both the Senate and the Assembly over the many years I have been here. I have particularly enjoyed the Session Prayer Book publication we get.

I worry about the “monetization,” if I can use that word, of spirituality and prayers. This process we have of paying for prayers seems to cheapen the reaching we have to our God, as our offering in this building tends to be a service that I consider sacred. I am not in favor of paying for prayer. I hope we are all paying, and will pay, our God in service. Thank you.

Motion carried.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee on Finance:

Senate Bill No. 522—AN ACT relating to education; ensuring sufficient funding for K-12 public education for the 2013-2015 biennium; apportioning the State Distributive School Account in the State General Fund for the 2013-2015 biennium; authorizing certain expenditures; making appropriations for purposes relating to basic support, class-size reduction and other educational purposes; temporarily diverting the money from the State Supplemental School Support Account to the State Distributive School Account for use in funding operating costs and other expenditures of school districts; and providing other matters properly relating thereto.

Senator Smith moved that the bill be referred to the Committee on Finance.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Denis moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 1:40 p.m.

SENATE IN SESSION

At 3:34 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Assembly Bills Nos. 130, 488, 502, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which was re-referred Senate Bill No. 172, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass as amended.

DEBBIE SMITH, *Chair*

Mr. President:

Your Committee on Judiciary, to which was referred Assembly Bill No. 423, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

TICK SEGERBLOM, *Chair*

SECOND READING AND AMENDMENT

Senate Bill No. 293.

Bill read second time and ordered to third reading.

Senate Bill No. 521.

Bill read second time and ordered to third reading.

Assembly Bill No. 130.

Bill read second time and ordered to third reading.

Assembly Bill No. 338.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 946.

"SUMMARY—Provides certain protections and services for victims of human trafficking. (BDR 16-679)"

"AN ACT relating to human trafficking; requiring certain law enforcement officers to take certain actions upon his or her initial encounter with a possible victim of human trafficking; requiring the owner or operator of certain establishments and facilities to post an informational sign relating to the National Human Trafficking Resource Center hotline; requiring the

Department of Health and Human Services to develop a statewide plan for delivery of services to victims of human trafficking; requiring the Department of Education and the State Board of Education to develop and distribute certain informational materials relating to the human trafficking of children; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law prohibits involuntary servitude, assuming ownership over a person, the purchase or sale of a person, trafficking in persons, pandering and living from the earnings of a prostitute. (NRS 200.463-200.468, ~~(201.310-201.340)~~ 201.300-201.340) Sections 1, 3 and 5 of this bill define victims of those crimes as "victims of human trafficking."

Section 1 requires a law enforcement officer, a district attorney or a deputy thereof or the Attorney General or a deputy thereof, as soon as possible after his or her initial encounter with a possible victim of human trafficking, to make a preliminary assessment of whether the victim is: (1) eligible under existing law for certain compensation and assistance provided to victims of crime; and (2) eligible for certification under existing federal law as a victim of a severe form of trafficking in persons. If the law enforcement officer, the district attorney or a deputy thereof or the Attorney General or a deputy thereof believes the person is eligible for certification as a victim of a severe form of trafficking in persons, section 1 requires the law enforcement officer, the district attorney or a deputy thereof or the Attorney General or a deputy thereof to notify the person and, upon request, to provide the person with certain immigration forms. Section 1 also requires the law enforcement officer, the district attorney or a deputy thereof, the Attorney General or a deputy thereof to notify the Division of Child and Family Services of the Department of Health and Human Services if the possible victim of human trafficking is less than 18 years of age or the Aging and Disability Services Division of the Department if the possible victim is an older person or a vulnerable person.

Section 2 of this bill requires an owner or operator of certain establishments or facilities to post an informational sign regarding the National Human Trafficking Resource Center hotline which must be obtained from the Department of Transportation or the Department of Business and Industry.

Section 3 requires the Department of Health and Human Services to develop a statewide plan for the delivery of services to victims of human trafficking.

Section 5 requires the Department of Education and the State Board of Education to develop and distribute certain informational material relating to the human trafficking of children.

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

Section 1 Chapter 217 of NRS is hereby amended by adding thereto a new section to read as follows:

1. As soon as practicable after the initial encounter with a person who reasonably appears to be a victim of human trafficking, a law enforcement officer, a district attorney or a deputy thereof or the Attorney General or a deputy thereof shall make a preliminary assessment of whether the victim:

(a) May be eligible for compensation or assistance pursuant to the provisions of this chapter; and

(b) Appears to meet the criteria for certification pursuant to 22 U.S.C. 7105(b)(1) as a victim of a severe form of trafficking in persons, as defined in 22 U.S.C. § 7105, or appears to be otherwise eligible for any federal, state or local benefits or services.

2. If, after the preliminary assessment conducted pursuant to subsection 1, the law enforcement officer, the district attorney or a deputy thereof or the Attorney General or a deputy thereof determines that the victim appears to be eligible for compensation or assistance pursuant to this chapter or to meet the criteria for certification as a victim of a severe form of trafficking in persons, the law enforcement officer, the district attorney or a deputy thereof or the Attorney General or a deputy thereof shall:

(a) Notify the victim of the finding;

(b) Notify the victim of any compensation or assistance that may be available pursuant to this chapter and the manner in which to apply for such compensation or assistance;

(c) Refer the victim to available services, including, without limitation, legal services; and

(d) Upon the request of the victim, provide the victim with one or both of the following forms issued by the United States Citizenship and Immigration Services of the United States Department of Homeland Security:

(1) Form I-914, Supplement B, Declaration of Law Enforcement Officer for Victim of Trafficking in Persons.

(2) Form I-918, Supplement B, U Nonimmigrant Status Certification.

➡ The law enforcement officer, the district attorney or a deputy thereof or the Attorney General or a deputy thereof shall complete and execute the form in accordance with the applicable instructions, rules and regulations.

3. If the victim of human trafficking is less than 18 years of age, the law enforcement officer, the district attorney or a deputy thereof or the Attorney General or a deputy thereof shall notify the Division of Child and Family Services of the Department of Health and Human Services.

4. If the victim of human trafficking is an older person or a vulnerable person, the law enforcement officer, the district attorney or a deputy thereof or the Attorney General or a deputy thereof shall notify the Aging and Disability Services Division of the Department of Health and Human Services. For the purposes of this subsection:

(a) "Older person" has the meaning ascribed to it in NRS 200.5092.

(b) "Vulnerable person" has the meaning ascribed to it in NRS 200.5092.

5. For the purposes of this section, "victim of human trafficking" means a person ~~who is a victim of~~

~~(a) Involuntary servitude as set forth in NRS 200.463 or 200.464.~~
~~(b) A violation of any provision of NRS 200.465.~~
~~(c) Trafficking in persons in violation of any provision of NRS 200.467 or 200.468.~~
~~(d) Pandering in violation of any provision of NRS 201.300, 201.310, 201.330 or 201.340.~~
~~(e) A violation of NRS 201.320.1 against whom a violation of any provision of NRS 200.463 to 200.468, inclusive, 201.300 or 201.320, or 18 U.S.C. § 1589, 1590 or 1591 has been committed.~~

Sec. 2. Chapter 200 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An owner or operator shall post in a location conspicuous to his or her patrons, at least one sign which is not less than 8 1/2 by 11 inches in size and which contains a notice that is clearly legible and in substantially the following form:

If you or someone you know is being forced to engage in any activity and cannot leave—whether it is commercial sex, housework, farm work or any other activity—call the National Human Trafficking Resource Center at 1 (888) 373-7888 to access help and services.

- *Victims of human trafficking are protected under the laws of the State of Nevada and the United States.*
- *The Hotline is:*
 - *Available 24 hours a day, 7 days a week.*
 - *Toll-free.*
 - *Operated by a nonprofit, nongovernmental organization.*
 - *Anonymous and confidential.*
 - *Accessible in 170 languages.*
 - *Able to provide help, referral to services, training and general information.*

2. The Department of Transportation and the Department of Business and Industry shall:

(a) Post the sign in English, Spanish and any other language deemed appropriate by the Director of the Department of Business and Industry, on the Internet website maintained by the agency.

(b) Upon request from an owner or operator, mail by first class mail to the owner or operator, a copy of the sign described in subsection 1 in English, Spanish and any other language deemed appropriate by the Director of the Department of Business and Industry.

➡ A sign that is in any language other than English must contain substantially language as is stated in subsection 2.

3. An owner or operator shall obtain the sign described in subsection 1 by printing the sign from the Internet website of the Department of Transportation or the Department of Business and Industry or by requesting that the Department of Transportation or the Department of Business and

Industry mail the sign to the owner or operator pursuant to paragraph (b) of subsection 2.

4. The Department of Transportation and the Department of Business and Industry may solicit and accept donations of signs that satisfy the requirements of this section from a nonprofit organization or any other source.

5. An owner or operator who violates this section:

(a) For the first violation, will receive a warning and be given 24 hours to comply with the provisions of this section.

(b) For the second and any subsequent violation, is guilty of a misdemeanor and shall be punished by a fine not to exceed \$500.

↪ Each 24-hour period during which an owner or operator is not in compliance with the provisions of this section constitutes a separate violation.

6. As used in this section, "owner or operator" means an owner or operator:

(a) Who has been cited for maintaining or permitting a public nuisance relating to prostitution at an establishment which he or she owns or operates.

(b) Of a mass transit facility, including, without limitation, an airport, bus station or train station.

(c) Of a rest area or truck stop.

Sec. 3. Chapter 232 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Department shall, in cooperation with any other state agency, any federal agency, public or private entity or any other stakeholder the Department deems appropriate, develop a statewide plan for the delivery of services to victims of human trafficking. The plan must provide for:

(a) The identification of victims of human trafficking;

(b) Assistance to victims of human trafficking with applying for federal and state benefits and services to which they may be entitled;

(c) The coordination of providing medical, psychological, housing, education, job training, child care, victims' compensation, legal and other services to victims of human trafficking;

(d) The preparation and dissemination of educational materials to increase awareness about human trafficking and the services available to victims of human trafficking among state and local agencies that provide social services, public and private agencies that may provide services to victims of human trafficking and the public;

(e) The establishment and maintenance of community-based services for victims of human trafficking; and

(f) Assistance to victims of human trafficking with family reunification or to return to their place of origin, if the victim so desires.

2. The Director shall periodically review the statewide plan developed pursuant to subsection 1 and its implementation to determine whether the plan and its implementation comply with the provisions of this section.

3. As used in this section, "victim of human trafficking" means a person ~~who is a victim of~~

~~(a) Involuntary servitude as set forth in NRS 200.463 or 200.464.~~

~~(b) A violation of any provision of NRS 200.465.~~

~~(c) Trafficking in persons in violation of any provision of NRS 200.467 or 200.468.~~

~~(d) Pandering in violation of any provision of NRS 201.300, 201.310, 201.330 or 201.340.~~

~~(e) A violation of NRS 201.320, against whom a violation of any provision of NRS 200.463 to 200.468, inclusive, 201.300 or 201.320, or 18 U.S.C. § 1589, 1590 or 1591 has been committed.~~

Sec. 4. NRS 232.290 is hereby amended to read as follows:

232.290 As used in NRS 232.290 to 232.484, inclusive, and section 3 of this act, unless the context requires otherwise:

1. "Department" means the Department of Health and Human Services.

2. "Director" means the Director of the Department.

Sec. 5. Chapter 388 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Department, in consultation with persons who possess knowledge and expertise in identifying and preventing the human trafficking of children, shall develop materials for distribution to school districts, to administrators, principals, teachers and all other personnel employed by the board of trustees of a school district, and to parents and students, that provide information concerning:

(a) The identification and prevention of the human trafficking of children, including, without limitation, strategies for preventing the human trafficking of children; and

(b) The resources to which administrators, principals, teachers and all other personnel employed by the board of trustees of a school district, parents and students may refer to obtain information concerning the identification and prevention of the human trafficking of children, including, without limitation, strategies for preventing the human trafficking of children.

2. The State Board, in consultation with the Department of Health and Human Services, shall provide for the distribution of the materials developed pursuant to subsection 1 to school districts.

3. As used in this section, "human trafficking" means ~~f:~~

~~(a) Involuntary servitude as set forth in NRS 200.463 or 200.464.~~

~~(b) A violation of any provision of NRS 200.465.~~

~~(c) Trafficking in persons in violation of any provision of NRS 200.467 or 200.468.~~

~~(d) Pandering in violation of any provision of NRS 201.300, 201.310, 201.330 or 201.340.~~

~~(e) A violation of NRS 201.320,] a violation of any provision of NRS 200.463 to 200.468, inclusive, 201.300 or 201.320, or 18 U.S.C. § 1589, 1590 or 1591.~~

Senator Kihuen moved the adoption of the amendment.

Remarks by Senator Kihuen.

Thank you, Mr. President. Amendment No. 946 to Assembly Bill No. 338 revises the definition of a “victim of human trafficking.”

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 423.

Bill read second time and ordered to third reading.

Assembly Bill No. 424.

Bill read second time and ordered to third reading.

Assembly Bill No. 472.

Bill read second time and ordered to third reading.

Assembly Bill No. 473.

Bill read second time and ordered to third reading.

Assembly Bill No. 488.

Bill read second time and ordered to third reading.

Assembly Bill No. 491.

Bill read second time and ordered to third reading.

Assembly Bill No. 502.

Bill read second time and ordered to third reading.

GENERAL FILE AND THIRD READING

Senate Bill No. 172.

Bill read third time.

Remarks by Senators Smith and Jones.

SENATOR SMITH:

Thank you, Mr. President. Senate Bill No. 172 authorizes financial institutions and other employers to deduct from the total amount of wages reported and upon which the payroll tax is imposed any wages paid to a newly hired full-time employee during the first four full-calendar quarters following the hiring of the employee, and 50 percent of all wages paid to the employee during the fifth through twelfth full-calendar quarters following the hiring of the employee. The bill requires that the employee is first hired by the employer on or after July 1, 2013, and on or before June 30, 2017; the employee has been unemployed for a continuous period of not less than six months immediately preceding the date of hire; and the employee has been receiving unemployment compensation continuously for that entire six month period immediately preceding the date of hire, or would have been eligible to receive unemployment compensation continuously for that entire 6-month period if the duration of his or her unemployment compensation had not expired within the 24 months immediately preceding the date of hire. The employee must be employed in a full-time position throughout the entire calendar quarter for which the deduction is claimed.

The bill requires an employer to submit to the Department of Taxation an affidavit, signed under penalty of perjury by the employer or authorized agent of the employer, which states that the employee meets the requirements specified in the bill. This bill also requires an employer claiming the deduction, upon the request of the Department of Taxation, to provide the Department with such documentation as the Department deems appropriate to substantiate the claim. In simpler terms, this provides a Modified Business Tax reduction for those employers who hire someone who has been out of work for six or more months. It is an incentive to possibly tip the scale a bit for any employer to get someone off the unemployment rolls. I encourage your support.

SENATOR JONES:

Thank you, Mr. President. I rise in strong support of Senate Bill No. 172. I am proud to have co-sponsored this bill with my colleague from Senate District No. 13. When this bill first came up, I shared the story of my brother-in-law who operates two businesses in Senate District No. 9. He was a beneficiary of the federal Hiring Incentives to Restore Employment Act, or HIRE, which allowed him to continue to employ folks who were previously unemployed. It enabled him to employ more than 30 individuals, bringing jobs to the community. Senate Bill No. 172 is a great opportunity to get those who are out of work right now back to work. It is what we came here to Carson City to do this Legislative Session: address education and get people back to work. I urge my colleagues' support.

Roll call on Senate Bill No. 172:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 172 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 204.

Bill read third time.

Remarks by Senators Gustavson and Smith.

SENATOR GUSTAVSON:

Thank you, Mr. President. Senate Bill No. 204 directs the Department of Motor Vehicles to establish a Next-of-Kin Registry. Provisions in the bill provide for a secure, Internet-based contact list, whereby individuals with a Nevada driver's license or identification card can enter contact information into the system. The Registry will be accessible by law enforcement personnel, and any coroner or medical examiner, to notify designated emergency contacts when an individual is found unable to communicate due to certain circumstances. This bill provides that the names, telephone numbers and addresses of emergency contact persons in the Registry are confidential. The bill becomes effective upon passage for the purposes of adopting regulations and performing any preparatory administrative tasks that are necessary to carry out the provision of this act, and on July 1, 2015, for all other purposes.

SENATOR SMITH:

Thank you, Mr. President. I rise in support of Senate Bill No. 204. It is an interesting opportunity for the residents of our State. This is what government does. This is what we pay for with government. These ideas do not come without costs. We had to add extra employees at the last minute at the Department of Motor Vehicles to accommodate the many requests we had requiring reprogramming. We have a backlog of years of programming in the Department of Motor Vehicles that has not been accomplished. I want to make the reminder that these programs cost money. They require employees. That is what the revenue requirement is needed for.

Roll call on Senate Bill No. 204:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 204 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 486.

Bill read third time.

Remarks by Senator Smith.

Thank you, Mr. President. I rise in support of Senate Bill No. 486 which makes a one-time General Fund appropriation of \$1.5 million to the Department of Administration for the costs of implementing a pilot program for an assessment of the school readiness of prekindergarten and kindergarten students. The bill also appropriates \$1 million from the State General Fund to the Interim Finance Committee for allocation to the Department of Administration for projects and programs identified by the Statewide Longitudinal Data System. It is extremely important for us to fund this program and to be able to look at our student data over a long period of time and associated with different divisions in the State.

Roll call on Senate Bill No. 486:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 486 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 125.

Bill read third time.

Remarks by Senator Manendo.

Thank you, Mr. President. Assembly Bill No. 125 allows for the lease of State land to certain businesses at less than fair market value for the first year of the lease. In order to qualify for a discounted lease, the business must be seeking to locate or expand in the State, must be consistent with the State Plan for Economic Development and must meet criteria related to number of employees, capital investment, wages and/or health insurance and benefits. Further, leases entered into pursuant to the bill must be for a term of at least ten years. The bill exempts such land leases from certain appraisal and procedural requirements. Also, exempted from these requirements are any leases of less than 25,000 square feet of State land.

Roll call on Assembly Bill No. 125:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Assembly Bill No. 125 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 145.

Bill read third time.

Remarks by Senator Hardy.

Thank you, Mr. President. Assembly Bill No. 145 authorizes the establishment of a Complete Streets program by a regional transportation commission or a Board of County Commissioners in each county. A Complete Streets program is defined as one in which streets or highways are retrofitted 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. The key to this is it is totally voluntary. The person who registers the vehicle may, at a kiosk or on the Internet, opt to make a voluntary, nonrefundable \$2 contribution toward funding the Complete Streets program in the county in which the vehicle is registered.

The Board of County Commissioners in a county that has established a Complete Streets program shall establish in the county treasury a Complete Streets fund to receive distributions of these contributions from the Department of Motor Vehicles and to accept other gifts and donations. The measure authorizes the Department of Motor Vehicles to retain a one-percent commission to cover the cost of collecting and allocating donations to each county.

Roll call on Assembly Bill No. 145:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Assembly Bill No. 145 having received a two-thirds majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 288.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 949.

"SUMMARY—Revises provisions governing graduation from high school. (BDR 34-524)"

"AN ACT relating to education; requiring the State Board of Education to select a high school equivalency assessment for certain persons who are not enrolled in high school and have not graduated; providing for the recognition of a document equivalent to a general educational development certificate, general educational development credential and general equivalency diploma; requiring the State Board to select a college and career readiness assessment for administration to pupils enrolled in grade 11 in public high schools; revising the requirements to receive a standard high school diploma by requiring pupils ~~enrolled in grades 9 and 10~~ to pass end-of-course examinations for the courses of study prescribed by the State Board; eliminating the option for the issuance of a certificate of attendance indicating a pupil attended high school but did not satisfy the requirements for a standard high school diploma; eliminating the high school proficiency examination; repealing provisions relating to the high school proficiency examination; making an appropriation; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law authorizes a person who is 16 or 17 years of age, is not enrolled in high school and has not graduated from high school to take the tests of general educational development to obtain a general educational development certificate which demonstrates that the person has achieved an educational level which is an acceptable substitute for completing a high school education. (NRS 385.448) Section 12.3 of this bill removes the reference to the tests of general educational development and requires the State Board of Education to select a high school equivalency assessment. Existing law also makes various references to a: (1) general educational development certificate; (2) general educational development credential; and (3) general equivalency diploma. (NRS 209.396, 209.433, 209.443, 209.446, 209.4465, 211.330, 213.315, 388.575, 389.810, 432B.595, 630.277, 641C.420, 652.127, 697.173) Sections 17.5, 33.5, 41.1-41.7 and 42.2-42.7 of this bill provide for the recognition of a document that is equivalent to such a certificate, credential or diploma.

Existing law requires the administration of examinations based upon the State's academic standards to pupils enrolled in grades 3 through 8 and requires pupils to pass the high school proficiency examination to receive a standard high school diploma. (NRS 389.015, 389.550) Section 43 of this bill eliminates the high school proficiency examination. Section 19 of this bill requires the State Board to select a college and career readiness assessment for administration to pupils enrolled in grade 11 in public high schools commencing with the 2014-2015 school year. Section 19 further requires a pupil enrolled in grade 11 to take the assessment to receive a standard high school diploma, but prohibits the use of the results of the assessment in determining the pupil's eligibility for such a diploma.

Existing law prescribes the requirements for a standard high school diploma, including passage of the high school proficiency examination. (NRS 389.805) Section 33 of this bill eliminates the requirement of passage of the high school proficiency examination and instead requires the State Board to prescribe the criteria for receipt of a standard high school diploma, which must include the requirement that, commencing with the 2014-2015 school year, a pupil ~~enrolled in grade 9 or 10~~ pass ~~an~~ at least four end-of-course ~~examination.~~ examinations. Section 33 also requires the State Board to adopt the courses of study in which pupils ~~enrolled in grades 9 and 10~~ must pass such ~~an examination.~~ examinations. which must include, without limitation, the subject areas for which the State Board has adopted the common core standards.

Under existing law, a pupil who does not pass the high school proficiency examination may be issued a certificate of attendance in lieu of a diploma if he or she is 18 years of age. (NRS 389.015) Section 33 of this bill prohibits the issuance to a pupil of a certificate of attendance or any other document indicating that the pupil attended high school but did not satisfy the requirements for a standard high school diploma.

As a transition from the administration of the high school proficiency examination to the administration of end-of-course examinations, sections 44-44.7 of this bill require the State Board of Education to prescribe the requirements which a pupil enrolled in grade 10, 11 or 12 in the 2013-2014 school year who has not passed the high school proficiency examination and is required to pass the examination to receive a standard high school diploma must satisfy to receive a standard high school diploma. Such requirements may include the continuation of the administration of the high school proficiency examination to those pupils.

The remaining sections of this bill make conforming changes relating to the elimination of the high school proficiency examination.

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

Section 1. NRS 385.3469 is hereby amended to read as follows:

385.3469 1. The State Board shall prepare an annual report of accountability that includes, without limitation:

(a) Information on the achievement of all pupils based upon the results of the examinations administered pursuant to NRS ~~[389.015 and]~~ 389.550 ~~[-]~~ and 389.805 ~~[-]~~ and the college and career readiness assessment administered pursuant to section 19 of this act, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(b) Except as otherwise provided in subsection 2, pupil achievement, reported separately by gender and reported separately for the following groups of pupils:

(1) Pupils who are economically disadvantaged, as defined by the State Board;

(2) Pupils from major racial and ethnic groups, as defined by the State Board;

(3) Pupils with disabilities;

(4) Pupils who are limited English proficient; and

(5) Pupils who are migratory children, as defined by the State Board.

(c) A comparison of the achievement of pupils in each group identified in paragraph (b) of subsection 1 of NRS 385.361 with the annual measurable objectives of the State Board.

(d) The percentage of all pupils who were not tested, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(e) Except as otherwise provided in subsection 2, the percentage of pupils who were not tested, reported separately by gender and reported separately for the groups identified in paragraph (b).

(f) The most recent 3-year trend in the achievement of pupils in each subject area tested and each grade level tested pursuant to NRS ~~[389.015 and]~~ 389.550 ~~[-]~~ and 389.805 ~~[-]~~ and section 19 of this act, reported for each school district, including, without limitation, each charter school in the

district, and for this State as a whole, which may include information regarding the trend in the achievement of pupils for more than 3 years, if such information is available.

(g) Information on whether each school district has made adequate yearly progress, including, without limitation, the name of each school district, if any, designated as demonstrating need for improvement pursuant to NRS 385.377 and the number of consecutive years that the school district has carried that designation.

(h) Information on whether each public school, including, without limitation, each charter school, has made:

(1) Adequate yearly progress, including, without limitation, the name of each public school, if any, designated as demonstrating need for improvement pursuant to NRS 385.3623 and the number of consecutive years that the school has carried that designation.

(2) Progress based upon the model adopted by the Department pursuant to NRS 385.3595, if applicable for the grade level of pupils enrolled at the school.

(i) Information on the results of pupils who participated in the examinations of the National Assessment of Educational Progress required pursuant to NRS 389.012.

(j) The ratio of pupils to teachers in kindergarten and at each grade level for all elementary schools, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole, and the average class size for each core academic subject, as set forth in NRS 389.018, for each secondary school, reported for each school district and for this State as a whole.

(k) The total number of persons employed by each school district in this State, including without limitation, each charter school in the district. Each such person must be reported as either an administrator, a teacher or other staff and must not be reported in more than one category. In addition to the total number of persons employed by each school district in each category, the report must include the number of employees in each of the three categories expressed as a percentage of the total number of persons employed by the school district. As used in this paragraph:

(1) "Administrator" means a person who spends at least 50 percent of his or her work year supervising other staff or licensed personnel, or both, and who is not classified by the board of trustees of a school district as a professional-technical employee.

(2) "Other staff" means all persons who are not reported as administrators or teachers, including, without limitation:

(I) School counselors, school nurses and other employees who spend at least 50 percent of their work year providing emotional support, noninstructional guidance or medical support to pupils;

(II) Noninstructional support staff, including, without limitation, janitors, school police officers and maintenance staff; and

(III) Persons classified by the board of trustees of a school district as professional-technical employees, including, without limitation, technical employees and employees on the professional-technical pay scale.

(3) "Teacher" means a person licensed pursuant to chapter 391 of NRS who is classified by the board of trustees of a school district:

(I) As a teacher and who spends at least 50 percent of his or her work year providing instruction or discipline to pupils; or

(II) As instructional support staff, who does not hold a supervisory position and who spends not more than 50 percent of his or her work year providing instruction to pupils. Such instructional support staff includes, without limitation, librarians and persons who provide instructional support.

(I) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, information on the professional qualifications of teachers employed by the school districts and charter schools, including, without limitation:

(1) The percentage of teachers who are:

(I) Providing instruction pursuant to NRS 391.125;

(II) Providing instruction pursuant to a waiver of the requirements for licensure for the grade level or subject area in which the teachers are employed; or

(III) Otherwise providing instruction without an endorsement for the subject area in which the teachers are employed;

(2) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, in this State that are not taught by highly qualified teachers;

(3) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, in this State that are not taught by highly qualified teachers, in the aggregate and disaggregated by high-poverty compared to low-poverty schools, which for the purposes of this subparagraph means schools in the top quartile of poverty and the bottom quartile of poverty in this State;

(4) For each middle school, junior high school and high school:

(I) The number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level and subject area; and

(II) The number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level and subject area; and

(5) For each elementary school:

(I) The number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level; and

(II) The number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level.

(m) The total expenditure per pupil for each school district in this State, including, without limitation, each charter school in the district. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(n) The total statewide expenditure per pupil. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall use the Department's own financial analysis program in complying with this paragraph.

(o) For all elementary schools, junior high schools and middle schools, the rate of attendance, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(p) The annual rate of pupils who drop out of school in grade 8 and a separate reporting of the annual rate of pupils who drop out of school in grades 9 to 12, inclusive, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole. The reporting for pupils in grades 9 to 12, inclusive, excludes pupils who:

(1) Provide proof to the school district of successful completion of the ~~examinations of general educational development~~ *high school equivalency assessment selected by the State Board pursuant to NRS 385.448.*

(2) Are enrolled in courses that are approved by the Department as meeting the requirements for an adult standard diploma.

(3) Withdraw from school to attend another school.

(q) The attendance of teachers who provide instruction, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(r) Incidents involving weapons or violence, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(s) Incidents involving the use or possession of alcoholic beverages or controlled substances, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(t) The suspension and expulsion of pupils required or authorized pursuant to NRS 392.466 and 392.467, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(u) The number of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(v) The number of pupils in each grade who are retained in the same grade pursuant to NRS 392.033 or 392.125, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(w) The transiency rate of pupils, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole. For the purposes of this paragraph, a pupil is not a transient if the pupil is transferred to a different school within the school district as a result of a change in the zone of attendance by the board of trustees of the school district pursuant to NRS 388.040.

(x) Each source of funding for this State to be used for the system of public education.

(y) A compilation of the programs of remedial study purchased in whole or in part with money received from this State that are used in each school district, including, without limitation, each charter school in the district. The compilation must include:

(1) The amount and sources of money received for programs of remedial study.

(2) An identification of each program of remedial study, listed by subject area.

(z) The percentage of pupils who graduated from a high school or charter school in the immediately preceding year and enrolled in remedial courses in reading, writing or mathematics at a university, state college or community college within the Nevada System of Higher Education, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(aa) The technological facilities and equipment available for educational purposes, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

(bb) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of pupils who received:

(1) A standard high school diploma . ~~[reported separately for pupils who received the diploma pursuant to:~~

~~(I) Paragraph (a) of subsection 1 of NRS 389.805; and~~

~~(II) Paragraph (b) of subsection 1 of NRS 389.805.]~~

(2) An adult diploma.

(3) An adjusted diploma.

~~[(4) A certificate of attendance.]~~

(cc) ~~[For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and~~

~~percentage of pupils who failed to pass the high school proficiency examination.~~

~~(dd)~~ The number of habitual truants who are reported to a school police officer or local law enforcement agency pursuant to paragraph (a) of subsection 2 of NRS 392.144 and the number of habitual truants who are referred to an advisory board to review school attendance pursuant to paragraph (b) of subsection 2 of NRS 392.144, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole.

~~{(ee)}~~ (dd) Information on the paraprofessionals employed at public schools in this State, including, without limitation, the charter schools in this State. The information must include:

(1) The number of paraprofessionals employed, reported for each school district, including, without limitation, each charter school in the district, and for this State as a whole; and

(2) For each school district, including, without limitation, each charter school in the district, and for this State as a whole, the number and percentage of all paraprofessionals who do not satisfy the qualifications set forth in 20 U.S.C. § 6319(c). The reporting requirements of this subparagraph apply to paraprofessionals who are employed in programs supported with Title I money and to paraprofessionals who are not employed in programs supported with Title I money.

~~{(ff)}~~ (ee) An identification of appropriations made by the Legislature to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

~~{(gg)}~~ (ff) A compilation of the special programs available for pupils at individual schools, listed by school and by school district, including, without limitation, each charter school in the district.

~~{(hh)}~~ (gg) For each school district, including, without limitation, each charter school in the district and for this State as a whole, information on pupils enrolled in career and technical education, including, without limitation:

(1) The number of pupils enrolled in a course of career and technical education;

(2) The number of pupils who completed a course of career and technical education;

(3) The average daily attendance of pupils who are enrolled in a program of career and technical education;

(4) The annual rate of pupils who dropped out of school and were enrolled in a program of career and technical education before dropping out;

(5) The number and percentage of pupils who completed a program of career and technical education and who received a standard high school diploma ~~{ }~~ or an adjusted diploma ; ~~{ or a certificate of attendance; }~~ and

(6) The number and percentage of pupils who completed a program of career and technical education and who did not receive a high school diploma because the pupils failed to ~~pass the high school proficiency examination.~~

~~(ii) satisfy the criteria prescribed by the State Board pursuant to NRS 389.805.~~

(hh) The number of incidents resulting in suspension or expulsion for bullying, cyber-bullying, harassment or intimidation, reported for each school district, including, without limitation, each charter school in the district, and for the State as a whole.

2. A separate reporting for a group of pupils must not be made pursuant to this section if the number of pupils in that group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual pupil. The State Board shall prescribe a mechanism for determining the minimum number of pupils that must be in a group for that group to yield statistically reliable information.

3. The annual report of accountability must:

(a) Comply with 20 U.S.C. § 6311(h)(1) and the regulations adopted pursuant thereto;

(b) Be prepared in a concise manner; and

(c) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents can understand.

4. On or before October 15 of each year, the State Board shall:

(a) Provide for public dissemination of the annual report of accountability by posting a copy of the report on the Internet website maintained by the Department; and

(b) Provide written notice that the report is available on the Internet website maintained by the Department. The written notice must be provided to the:

(1) Governor;

(2) Committee;

(3) Bureau;

(4) Board of Regents of the University of Nevada;

(5) Board of trustees of each school district; and

(6) Governing body of each charter school.

5. Upon the request of the Governor, an entity described in paragraph (b) of subsection 4 or a member of the general public, the State Board shall provide a portion or portions of the annual report of accountability.

6. As used in this section:

(a) "Bullying" has the meaning ascribed to it in NRS 388.122.

(b) "Cyber-bullying" has the meaning ascribed to it in NRS 388.123.

(c) "Harassment" has the meaning ascribed to it in NRS 388.125.

(d) "Highly qualified" has the meaning ascribed to it in 20 U.S.C. § 7801(23).

(e) "Intimidation" has the meaning ascribed to it in NRS 388.129.

(f) "Paraprofessional" has the meaning ascribed to it in NRS 391.008.

Sec. 2. NRS 385.34691 is hereby amended to read as follows:

385.34691 1. The State Board shall prepare a plan to improve the achievement of pupils enrolled in the public schools in this State. The plan:

(a) Must be prepared in consultation with:

(1) Employees of the Department;
 (2) At least one employee of a school district in a county whose population is 100,000 or more, appointed by the Nevada Association of School Boards;

(3) At least one employee of a school district in a county whose population is less than 100,000, appointed by the Nevada Association of School Boards; and

(4) At least one representative of the Statewide Council for the Coordination of the Regional Training Programs created by NRS 391.516, appointed by the Council; and

(b) May be prepared in consultation with:

(1) Representatives of institutions of higher education;
 (2) Representatives of regional educational laboratories;
 (3) Representatives of outside consultant groups;
 (4) Representatives of the regional training programs for the professional development of teachers and administrators created by NRS 391.512;

(5) The Bureau; and

(6) Other persons who the State Board determines are appropriate.

2. A plan to improve the achievement of pupils enrolled in public schools in this State must include:

(a) A review and analysis of the data upon which the report required pursuant to NRS 385.3469 is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors common among the school districts or charter schools in this State, as revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as set forth in NRS 389.018.

(d) Strategies to improve the academic achievement of pupils enrolled in public schools in this State, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

(I) The curriculum appropriate to improve achievement;

(II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS ~~389.015 and~~ 389.550 ~~[-]~~ and 389.805 ~~[-]~~ and the college and career readiness assessment administered pursuant to section 19 of this act; and

(III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each group identified in paragraph (b) of subsection 1 of NRS 385.361;

(2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;

(3) Integrate technology into the instructional and administrative programs of the school districts;

(4) Manage effectively the discipline of pupils; and

(5) Enhance the professional development offered for the teachers and administrators employed at public schools in this State to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of the pupils enrolled in public schools in this State, as deemed appropriate by the State Board.

(e) Strategies designed to provide to the pupils enrolled in middle school, junior high school and high school, the teachers and counselors who provide instruction to those pupils, and the parents and guardians of those pupils information concerning:

(1) The requirements for admission to an institution of higher education and the opportunities for financial aid;

(2) The availability of Governor Guinn Millennium Scholarships pursuant to NRS 396.911 to 396.945, inclusive; and

(3) The need for a pupil to make informed decisions about his or her curriculum in middle school, junior high school and high school in preparation for success after graduation.

(f) An identification, by category, of the employees of the Department who are responsible for ensuring that each provision of the plan is carried out effectively.

(g) A timeline for carrying out the plan, including, without limitation:

(1) The rate of improvement and progress which must be attained annually in meeting the goals and benchmarks established by the State Board pursuant to subsection 3; and

(2) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.

(h) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.

(i) Strategies to improve the allocation of resources from this State, by program and by school district, in a manner that will improve the academic achievement of pupils. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, the State Board shall use that statewide program in complying with this paragraph. If a statewide program is not available, the State Board shall

use the Department's own financial analysis program in complying with this paragraph.

(j) Based upon the reallocation of resources set forth in paragraph (i), the resources available to the State Board and the Department to carry out the plan, including, without limitation, a budget for the overall cost of carrying out the plan.

(k) A summary of the effectiveness of appropriations made by the Legislature to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

(l) A 5-year strategic plan which identifies the recurring issues in improving the achievement and proficiency of pupils in this State and which establishes strategic goals to address those issues. The 5-year strategic plan must be:

(1) Based upon the data from previous years which is collected by the Department for the plan developed pursuant to this section; and

(2) Designed to track the progress made in achieving the strategic goals established by the Department.

(m) Any additional plans addressing the achievement and proficiency of pupils adopted by the Department.

3. The State Board shall:

(a) In developing the plan to improve the achievement of pupils enrolled in public schools, establish clearly defined goals and benchmarks for improving the achievement of pupils, including, without limitation, goals for:

(1) Improving proficiency results in core academic subjects;

(2) Increasing the number of pupils enrolled in public middle schools and junior high schools, including, without limitation, charter schools, who enter public high schools with the skills necessary to succeed in high school;

(3) Improving the percentage of pupils who enroll in grade 9 and who graduate from a public high school, including, without limitation, a charter school, with a standard or higher diploma upon completion;

(4) Improving the performance of pupils on standardized college entrance examinations;

(5) Increasing the percentage of pupils enrolled in high schools who enter postsecondary educational institutions or who are career and workforce ready; and

(6) Reengaging disengaged youth who have dropped out of high school or who are at risk of dropping out of high school, including, without limitation, a mechanism for tracking and maintaining communication with those youth who have dropped out of school or who are at risk of doing so;

(b) Review the plan annually to evaluate the effectiveness of the plan;

(c) Examine the timeline for implementing the plan and each provision of the plan to determine whether the annual goals and benchmarks have been attained; and

(d) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that:

(1) The goals and benchmarks set forth in the plan are being attained in a timely manner; and

(2) The plan is designed to improve the academic achievement of pupils enrolled in public schools in this State.

4. On or before January 31 of each year, the State Board shall submit the plan or the revised plan, as applicable, to the:

- (a) Governor;
- (b) Committee;
- (c) Bureau;
- (d) Board of Regents of the University of Nevada;
- (e) Council to Establish Academic Standards for Public Schools created by NRS 389.510;
- (f) Board of trustees of each school district; and
- (g) Governing body of each charter school.

Sec. 3. NRS 385.34692 is hereby amended to read as follows:

385.34692 1. The State Board shall prepare a summary of the annual report of accountability prepared pursuant to NRS 385.3469 that includes, without limitation, a summary of the following information for each school district, each charter school and the State as a whole:

(a) Demographic information of pupils, including, without limitation, the number and percentage of pupils:

- (1) Who are economically disadvantaged, as defined by the State Board;
- (2) Who are from major racial or ethnic groups, as defined by the State Board;

(3) With disabilities;

(4) Who are limited English proficient; and

(5) Who are migratory children, as defined by the State Board;

(b) The average daily attendance of pupils, reported separately for the groups identified in paragraph (a);

(c) The transiency rate of pupils;

(d) The percentage of pupils who are habitual truants;

(e) The percentage of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655;

(f) The number of incidents resulting in suspension or expulsion for:

(1) Violence to other pupils or to school personnel;

(2) Possession of a weapon;

(3) Distribution of a controlled substance;

(4) Possession or use of a controlled substance;

(5) Possession or use of alcohol; and

(6) Bullying, cyber-bullying, harassment or intimidation;

(g) For kindergarten through grade 8, the number and percentage of pupils who are retained in the same grade;

(h) For grades 9 to 12, inclusive, the number and percentage of pupils who are deficient in the number of credits required for promotion to the next grade or graduation from high school;

- (i) The pupil-teacher ratio for kindergarten and grades 1 to 8, inclusive;
 - (j) The average class size for the subject area of mathematics, English, science and social studies in schools where pupils rotate to different teachers for different subjects;
 - (k) The number and percentage of pupils who graduated from high school;
 - (l) The number and percentage of pupils who received a:
 - (1) Standard diploma;
 - (2) Adult diploma; *and*
 - (3) Adjusted diploma; ~~and~~
 - ~~(4) Certificate of attendance;~~
 - (m) The number and percentage of pupils who graduated from high school and enrolled in remedial courses at the Nevada System of Higher Education;
 - (n) Per pupil expenditures;
 - (o) Information on the professional qualifications of teachers;
 - (p) The average daily attendance of teachers and licensure information;
 - (q) Information on the adequate yearly progress of the schools and school districts;
 - (r) Pupil achievement based upon the:
 - (1) Examinations administered pursuant to NRS 389.550, including, without limitation, whether public schools have made progress based upon the model adopted by the Department pursuant to NRS 385.3595; and
 - (2) ~~[High school proficiency examination administered pursuant to NRS 389.015; and]~~ *End-of-course examinations administered pursuant to NRS 389.805; and*
 - (s) Other information required by the Superintendent of Public Instruction in consultation with the Bureau.
2. The summary prepared pursuant to subsection 1 must:
- (a) Comply with 20 U.S.C. § 6311(h)(1) and the regulations adopted pursuant thereto;
 - (b) Be prepared in a concise manner; and
 - (c) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents will likely understand.
3. On or before October 20 of each year, the State Board shall:
- (a) Provide for public dissemination of the summary prepared pursuant to subsection 1 by posting the summary on the Internet website maintained by the Department; and
 - (b) Submit a copy of the summary in an electronic format to the:
 - (1) Governor;
 - (2) Committee;
 - (3) Bureau;
 - (4) Board of Regents of the University of Nevada;
 - (5) Board of trustees of each school district; and
 - (6) Governing body of each charter school.
4. The board of trustees of each school district and the governing body of each charter school shall ensure that the parents and guardians of pupils

enrolled in the school district or charter school, as applicable, have sufficient information concerning the availability of the summary prepared by the State Board pursuant to subsection 1, including, without limitation, information that describes how to access the summary on the Internet website maintained by the Department. Upon the request of a parent or guardian of a pupil, the Department shall provide the parent or guardian with a written copy of the summary.

5. The Department shall, in consultation with the Bureau and the school districts, prescribe a form for the summary required by this section.

6. As used in this section:

- (a) "Bullying" has the meaning ascribed to it in NRS 388.122.
- (b) "Cyber-bullying" has the meaning ascribed to it in NRS 388.123.
- (c) "Harassment" has the meaning ascribed to it in NRS 388.125.
- (d) "Intimidation" has the meaning ascribed to it in NRS 388.129.

Sec. 4. NRS 385.347 is hereby amended to read as follows:

385.347 1. The board of trustees of each school district in this State, in cooperation with associations recognized by the State Board as representing licensed educational personnel in the district, shall adopt a program providing for the accountability of the school district to the residents of the district and to the State Board for the quality of the schools and the educational achievement of the pupils in the district, including, without limitation, pupils enrolled in charter schools sponsored by the school district. The board of trustees of each school district shall report the information required by subsection 2 for each charter school sponsored by the school district. The information for charter schools must be reported separately.

2. The board of trustees of each school district shall, on or before September 30 of each year, prepare an annual report of accountability concerning:

(a) The educational goals and objectives of the school district.

(b) Pupil achievement for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district. The board of trustees of the district shall base its report on the results of the examinations administered pursuant to NRS ~~{389.015 and}~~ 389.550 and 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act and shall compare the results of those examinations for the current school year with those of previous school years. The report must include, for each school in the district, including, without limitation, each charter school sponsored by the district, and each grade in which the examinations and assessments were administered:

(1) The number of pupils who took the examinations.

(2) A record of attendance for the period in which the examinations were administered, including an explanation of any difference in the number of pupils who took the examinations and the number of pupils who are enrolled in the school.

(3) Except as otherwise provided in this paragraph, pupil achievement, reported separately by gender and reported separately for the following groups of pupils:

(I) Pupils who are economically disadvantaged, as defined by the State Board;

(II) Pupils from major racial and ethnic groups, as defined by the State Board;

(III) Pupils with disabilities;

(IV) Pupils who are limited English proficient; and

(V) Pupils who are migratory children, as defined by the State Board.

(4) A comparison of the achievement of pupils in each group identified in paragraph (b) of subsection 1 of NRS 385.361 with the annual measurable objectives of the State Board.

(5) The percentage of pupils who were not tested.

(6) Except as otherwise provided in this paragraph, the percentage of pupils who were not tested, reported separately by gender and reported separately for the groups identified in subparagraph (3).

(7) The most recent 3-year trend in pupil achievement in each subject area tested and each grade level tested pursuant to NRS ~~[389.015 and] 389.550 ~~¶~~ and 389.805 ~~¶¶~~~~ and section 19 of this act, which may include information regarding the trend in the achievement of pupils for more than 3 years, if such information is available.

(8) Information that compares the results of pupils in the school district, including, without limitation, pupils enrolled in charter schools sponsored by the district, with the results of pupils throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

(9) For each school in the district, including, without limitation, each charter school sponsored by the district, information that compares the results of pupils in the school with the results of pupils throughout the school district and throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

(10) Information on whether each school in the district, including, without limitation, each charter school sponsored by the district, has made progress based upon the model adopted by the Department pursuant to NRS 385.3595.

➡ A separate reporting for a group of pupils must not be made pursuant to this paragraph if the number of pupils in that group is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual pupil. The State Board shall prescribe the mechanism for determining the minimum number of pupils that must be in a group for that group to yield statistically reliable information.

(c) The ratio of pupils to teachers in kindergarten and at each grade level for each elementary school in the district and the district as a whole,

including, without limitation, each charter school sponsored by the district, and the average class size for each core academic subject, as set forth in NRS 389.018, for each secondary school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district.

(d) The total number of persons employed for each elementary school, middle school or junior high school, and high school in the district, including, without limitation, each charter school sponsored by the district. Each such person must be reported as either an administrator, a teacher or other staff and must not be reported in more than one category. In addition to the total number of persons employed by each school in each category, the report must include the number of employees in each of the three categories for each school expressed as a percentage of the total number of persons employed by the school. As used in this paragraph:

(1) "Administrator" means a person who spends at least 50 percent of his or her work year supervising other staff or licensed personnel, or both, and who is not classified by the board of trustees of the school district as a professional-technical employee.

(2) "Other staff" means all persons who are not reported as administrators or teachers, including, without limitation:

(I) School counselors, school nurses and other employees who spend at least 50 percent of their work year providing emotional support, noninstructional guidance or medical support to pupils;

(II) Noninstructional support staff, including, without limitation, janitors, school police officers and maintenance staff; and

(III) Persons classified by the board of trustees of the school district as professional-technical employees, including, without limitation, technical employees and employees on the professional-technical pay scale.

(3) "Teacher" means a person licensed pursuant to chapter 391 of NRS who is classified by the board of trustees of the school district:

(I) As a teacher and who spends at least 50 percent of his or her work year providing instruction or discipline to pupils; or

(II) As instructional support staff, who does not hold a supervisory position and who spends not more than 50 percent of his or her work year providing instruction to pupils. Such instructional support staff includes, without limitation, librarians and persons who provide instructional support.

(e) The total number of persons employed by the school district, including without limitation, each charter school sponsored by the district. Each such person must be reported as either an administrator, a teacher or other staff and must not be reported in more than one category. In addition to the total number of persons employed by the school district in each category, the report must include the number of employees in each of the three categories expressed as a percentage of the total number of persons employed by the school district. As used in this paragraph, "administrator," "other staff" and "teacher" have the meanings ascribed to them in paragraph (d).

(f) Information on the professional qualifications of teachers employed by each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district. The information must include, without limitation:

(1) The percentage of teachers who are:

(I) Providing instruction pursuant to NRS 391.125;

(II) Providing instruction pursuant to a waiver of the requirements for licensure for the grade level or subject area in which the teachers are employed; or

(III) Otherwise providing instruction without an endorsement for the subject area in which the teachers are employed;

(2) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, that are not taught by highly qualified teachers;

(3) The percentage of classes in the core academic subjects, as set forth in NRS 389.018, that are not taught by highly qualified teachers, in the aggregate and disaggregated by high-poverty compared to low-poverty schools, which for the purposes of this subparagraph means schools in the top quartile of poverty and the bottom quartile of poverty in this State;

(4) For each middle school, junior high school and high school:

(I) The number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level and subject area; and

(II) The number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level and subject area; and

(5) For each elementary school:

(I) The number of persons employed as substitute teachers for 20 consecutive days or more in the same classroom or assignment, designated as long-term substitute teachers, including the total number of days long-term substitute teachers were employed at each school, identified by grade level; and

(II) The number of persons employed as substitute teachers for less than 20 consecutive days, designated as short-term substitute teachers, including the total number of days short-term substitute teachers were employed at each school, identified by grade level.

(g) The total expenditure per pupil for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school district shall use that statewide program in complying with this paragraph. If a statewide program is not available, each school

district shall use its own financial analysis program in complying with this paragraph.

(h) The curriculum used by the school district, including:

(1) Any special programs for pupils at an individual school; and

(2) The curriculum used by each charter school sponsored by the district.

(i) Records of the attendance and truancy of pupils in all grades, including, without limitation:

(1) The average daily attendance of pupils, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district.

(2) For each elementary school, middle school and junior high school in the district, including, without limitation, each charter school sponsored by the district that provides instruction to pupils enrolled in a grade level other than high school, information that compares the attendance of the pupils enrolled in the school with the attendance of pupils throughout the district and throughout this State. The information required by this subparagraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

(j) The annual rate of pupils who drop out of school in grade 8 and a separate reporting of the annual rate of pupils who drop out of school in grades 9 to 12, inclusive, for each such grade, for each school in the district and for the district as a whole. The reporting for pupils in grades 9 to 12, inclusive, excludes pupils who:

(1) Provide proof to the school district of successful completion of the ~~examinations of general educational development~~ *high school equivalency assessment selected by the State Board pursuant to NRS 385.448.*

(2) Are enrolled in courses that are approved by the Department as meeting the requirements for an adult standard diploma.

(3) Withdraw from school to attend another school.

(k) Records of attendance of teachers who provide instruction, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district.

(l) Efforts made by the school district and by each school in the district, including, without limitation, each charter school sponsored by the district, to increase:

(1) Communication with the parents of pupils enrolled in the district;

(2) The participation of parents in the educational process and activities relating to the school district and each school, including, without limitation, the existence of parent organizations and school advisory committees; and

(3) The involvement of parents and the engagement of families of pupils enrolled in the district in the education of their children.

(m) Records of incidents involving weapons or violence for each school in the district, including, without limitation, each charter school sponsored by the district.

(n) Records of incidents involving the use or possession of alcoholic beverages or controlled substances for each school in the district, including, without limitation, each charter school sponsored by the district.

(o) Records of the suspension and expulsion of pupils required or authorized pursuant to NRS 392.466 and 392.467.

(p) The number of pupils who are deemed habitual disciplinary problems pursuant to NRS 392.4655, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district.

(q) The number of pupils in each grade who are retained in the same grade pursuant to NRS 392.033 or 392.125, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district.

(r) The transiency rate of pupils for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district. For the purposes of this paragraph, a pupil is not transient if the pupil is transferred to a different school within the school district as a result of a change in the zone of attendance by the board of trustees of the school district pursuant to NRS 388.040.

(s) Each source of funding for the school district.

(t) A compilation of the programs of remedial study that are purchased in whole or in part with money received from this State, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district. The compilation must include:

(1) The amount and sources of money received for programs of remedial study for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district.

(2) An identification of each program of remedial study, listed by subject area.

(u) For each high school in the district, including, without limitation, each charter school sponsored by the district, the percentage of pupils who graduated from that high school or charter school in the immediately preceding year and enrolled in remedial courses in reading, writing or mathematics at a university, state college or community college within the Nevada System of Higher Education.

(v) The technological facilities and equipment available at each school, including, without limitation, each charter school sponsored by the district, and the district's plan to incorporate educational technology at each school.

(w) For each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district, the number and percentage of pupils who received:

(1) A standard high school diploma . ~~[reported separately for pupils who received the diploma pursuant to:~~

~~(I) Paragraph (a) of subsection 1 of NRS 389.805; and~~

~~(II) Paragraph (b) of subsection 1 of NRS 389.805.]~~

(2) An adult diploma.

(3) An adjusted diploma.

~~[(4) A certificate of attendance.]~~

~~(x) [For each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district, the number and percentage of pupils who failed to pass the high school proficiency examination.]~~

~~(y)~~ The number of habitual truants who are reported to a school police officer or law enforcement agency pursuant to paragraph (a) of subsection 2 of NRS 392.144 and the number of habitual truants who are referred to an advisory board to review school attendance pursuant to paragraph (b) of subsection 2 of NRS 392.144, for each school in the district and for the district as a whole.

~~[(z)]~~ (y) The amount and sources of money received for the training and professional development of teachers and other educational personnel for each school in the district and for the district as a whole, including, without limitation, each charter school sponsored by the district.

~~[(aa)]~~ (z) Whether the school district has made adequate yearly progress. If the school district has been designated as demonstrating need for improvement pursuant to NRS 385.377, the report must include a statement indicating the number of consecutive years the school district has carried that designation.

~~[(bb)]~~ (aa) Information on whether each public school in the district, including, without limitation, each charter school sponsored by the district, has made adequate yearly progress, including, without limitation:

(1) The number and percentage of schools in the district, if any, that have been designated as needing improvement pursuant to NRS 385.3623; and

(2) The name of each school, if any, in the district that has been designated as needing improvement pursuant to NRS 385.3623 and the number of consecutive years that the school has carried that designation.

~~[(cc)]~~ (bb) Information on the paraprofessionals employed by each public school in the district, including, without limitation, each charter school sponsored by the district. The information must include:

(1) The number of paraprofessionals employed at the school; and

(2) The number and percentage of all paraprofessionals who do not satisfy the qualifications set forth in 20 U.S.C. § 6319(c). The reporting requirements of this subparagraph apply to paraprofessionals who are employed in positions supported with Title I money and to paraprofessionals who are not employed in positions supported with Title I money.

~~[(dd)]~~ (cc) For each high school in the district, including, without limitation, each charter school sponsored by the district that operates as a high school, information that provides a comparison of the rate of graduation of pupils enrolled in the high school with the rate of graduation of pupils throughout the district and throughout this State. The information required by

this paragraph must be provided in consultation with the Department to ensure the accuracy of the comparison.

~~[(ee)]~~ (dd) An identification of the appropriations made by the Legislature that are available to the school district or the schools within the district and programs approved by the Legislature to improve the academic achievement of pupils.

~~[(ff)]~~ (ee) For each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district, information on pupils enrolled in career and technical education, including, without limitation:

(1) The number of pupils enrolled in a course of career and technical education;

(2) The number of pupils who completed a course of career and technical education;

(3) The average daily attendance of pupils who are enrolled in a program of career and technical education;

(4) The annual rate of pupils who dropped out of school and were enrolled in a program of career and technical education before dropping out;

(5) The number and percentage of pupils who completed a program of career and technical education and who received a standard high school diploma ~~[,] or an adjusted diploma ; for a certificate of attendance;~~ and

(6) The number and percentage of pupils who completed a program of career and technical education and who did not receive a high school diploma because the pupils failed to ~~pass the high school proficiency examination.~~

~~(gg)]~~ satisfy the criteria prescribed by the State Board pursuant to NRS 389.805.

(ff) The number of incidents resulting in suspension or expulsion for bullying, cyber-bullying, harassment or intimidation, for each school in the district and the district as a whole, including, without limitation, each charter school sponsored by the district.

~~[(hh)]~~ (gg) Such other information as is directed by the Superintendent of Public Instruction.

3. The State Public Charter School Authority and each college or university within the Nevada System of Higher Education that sponsors a charter school shall, on or before September 30 of each year, prepare an annual report of accountability of the charter schools sponsored by the State Public Charter School Authority or institution, as applicable, concerning the accountability information prescribed by the Department pursuant to this section. The Department, in consultation with the State Public Charter School Authority and each college or university within the Nevada System of Higher Education that sponsors a charter school, shall prescribe by regulation the information that must be prepared by the State Public Charter School Authority and institution, as applicable, which must include, without limitation, the information contained in paragraphs (a) to ~~[(hh)]~~ (gg), inclusive, of subsection 2, as applicable to charter schools. The Department

shall provide for public dissemination of the annual report of accountability prepared pursuant to this section in the manner set forth in 20 U.S.C. § 6311(h)(2)(E) by posting a copy of the report on the Internet website maintained by the Department.

4. The records of attendance maintained by a school for purposes of paragraph (k) of subsection 2 or maintained by a charter school for purposes of the reporting required pursuant to subsection 3 must include the number of teachers who are in attendance at school and the number of teachers who are absent from school. A teacher shall be deemed in attendance if the teacher is excused from being present in the classroom by the school in which the teacher is employed for one of the following reasons:

(a) Acquisition of knowledge or skills relating to the professional development of the teacher; or

(b) Assignment of the teacher to perform duties for cocurricular or extracurricular activities of pupils.

5. The annual report of accountability prepared pursuant to subsection 2 or 3, as applicable, must:

(a) Comply with 20 U.S.C. § 6311(h)(2) and the regulations adopted pursuant thereto; and

(b) Be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents can understand.

6. The Superintendent of Public Instruction shall:

(a) Prescribe forms for the reports required pursuant to subsections 2 and 3 and provide the forms to the respective school districts, the State Public Charter School Authority and each college or university within the Nevada System of Higher Education that sponsors a charter school.

(b) Provide statistical information and technical assistance to the school districts, the State Public Charter School Authority and each college or university within the Nevada System of Higher Education that sponsors a charter school to ensure that the reports provide comparable information with respect to each school in each district, each charter school and among the districts and charter schools throughout this State.

(c) Consult with a representative of the:

- (1) Nevada State Education Association;
- (2) Nevada Association of School Boards;
- (3) Nevada Association of School Administrators;
- (4) Nevada Parent Teacher Association;
- (5) Budget Division of the Department of Administration;
- (6) Legislative Counsel Bureau; and
- (7) Charter School Association of Nevada,

➡ concerning the program and consider any advice or recommendations submitted by the representatives with respect to the program.

7. The Superintendent of Public Instruction may consult with representatives of parent groups other than the Nevada Parent Teacher Association concerning the program and consider any advice or

recommendations submitted by the representatives with respect to the program.

8. On or before September 30 of each year:

(a) The board of trustees of each school district shall submit to each advisory board to review school attendance created in the county pursuant to NRS 392.126 the information required in paragraph (i) of subsection 2.

(b) The State Public Charter School Authority and each college or university within the Nevada System of Higher Education that sponsors a charter school shall submit to each advisory board to review school attendance created in a county pursuant to NRS 392.126 the information regarding the records of the attendance and truancy of pupils enrolled in the charter school located in that county, if any, in accordance with the regulations prescribed by the Department pursuant to subsection 3.

9. On or before September 30 of each year:

(a) The board of trustees of each school district, the State Public Charter School Authority and each college or university within the Nevada System of Higher Education that sponsors a charter school shall provide written notice that the report required pursuant to subsection 2 or 3, as applicable, is available on the Internet website maintained by the school district, State Public Charter School Authority or institution, if any, or otherwise provide written notice of the availability of the report. The written notice must be provided to the:

- (1) Governor;
- (2) State Board;
- (3) Department;
- (4) Committee; and
- (5) Bureau.

(b) The board of trustees of each school district, the State Public Charter School Authority and each college or university within the Nevada System of Higher Education that sponsors a charter school shall provide for public dissemination of the annual report of accountability prepared pursuant to subsection 2 or 3, as applicable, in the manner set forth in 20 U.S.C. § 6311(h)(2)(E) by posting a copy of the report on the Internet website maintained by the school district, the State Public Charter School Authority or the institution, if any. If a school district does not maintain a website, the district shall otherwise provide for public dissemination of the annual report by providing a copy of the report to the schools in the school district, including, without limitation, each charter school sponsored by the district, the residents of the district, and the parents and guardians of pupils enrolled in schools in the district, including, without limitation, each charter school sponsored by the district. If the State Public Charter School Authority or the institution does not maintain a website, the State Public Charter School Authority or the institution, as applicable, shall otherwise provide for public dissemination of the annual report by providing a copy of the report to each

charter school it sponsors and the parents and guardians of pupils enrolled in each charter school it sponsors.

10. Upon the request of the Governor, an entity described in paragraph (a) of subsection 9 or a member of the general public, the board of trustees of a school district, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education that sponsors a charter school, as applicable, shall provide a portion or portions of the report required pursuant to subsection 2 or 3, as applicable.

11. As used in this section:

- (a) "Bullying" has the meaning ascribed to it in NRS 388.122.
- (b) "Cyber-bullying" has the meaning ascribed to it in NRS 388.123.
- (c) "Harassment" has the meaning ascribed to it in NRS 388.125.
- (d) "Highly qualified" has the meaning ascribed to it in 20 U.S.C. § 7801(23).

(e) "Intimidation" has the meaning ascribed to it in NRS 388.129.

(f) "Paraprofessional" has the meaning ascribed to it in NRS 391.008.

Sec. 5. NRS 385.357 is hereby amended to read as follows:

385.357 1. Except as otherwise provided in NRS 385.37603 and 385.37607, the principal of each school, including, without limitation, each charter school, shall, in consultation with the employees of the school, prepare a plan to improve the achievement of the pupils enrolled in the school.

2. The plan developed pursuant to subsection 1 must include:

(a) A review and analysis of the data pertaining to the school upon which the report required pursuant to subsection 2 or 3 of NRS 385.347, as applicable, is based and a review and analysis of any data that is more recent than the data upon which the report is based.

(b) The identification of any problems or factors at the school that are revealed by the review and analysis.

(c) Strategies based upon scientifically based research, as defined in 20 U.S.C. § 7801(37), that will strengthen the core academic subjects, as defined in NRS 389.018.

(d) Policies and practices concerning the core academic subjects which have the greatest likelihood of ensuring that each group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school will make adequate yearly progress and meet the minimum level of proficiency prescribed by the State Board.

(e) Annual measurable objectives, consistent with the annual measurable objectives established by the State Board pursuant to NRS 385.361, for the continuous and substantial progress by each group of pupils identified in paragraph (b) of subsection 1 of that section who are enrolled in the school to ensure that each group will make adequate yearly progress and meet the level of proficiency prescribed by the State Board.

(f) Strategies and practices which:

(1) Are consistent with the policy adopted pursuant to NRS 392.457 by the board of trustees of the school district in which the school is located, to promote effective involvement by parents and families of pupils enrolled in the school in the education of their children; and

(2) Are designed to improve and promote effective involvement and engagement by parents and families of pupils enrolled in the school which are consistent with the policies and recommendations of the Office of Parental Involvement and Family Engagement made pursuant to NRS 385.635.

(g) As appropriate, programs of remedial education or tutoring to be offered before and after school, during the summer, or between sessions if the school operates on a year-round calendar for pupils enrolled in the school who need additional instructional time to pass or to reach a level considered proficient.

(h) Strategies to improve the academic achievement of pupils enrolled in the school, including, without limitation, strategies to:

(1) Instruct pupils who are not achieving to their fullest potential, including, without limitation:

(I) The curriculum appropriate to improve achievement;

(II) The manner by which the instruction will improve the achievement and proficiency of pupils on the examinations administered pursuant to NRS ~~[389.015 and]~~ 389.550 ~~[:]~~ *and 389.805 ~~+~~ and the college and career readiness assessment administered pursuant to section 19 of this act;* and

(III) An identification of the instruction and curriculum that is specifically designed to improve the achievement and proficiency of pupils in each group identified in paragraph (b) of subsection 1 of NRS 385.361;

(2) Increase the rate of attendance of pupils and reduce the number of pupils who drop out of school;

(3) Integrate technology into the instructional and administrative programs of the school;

(4) Manage effectively the discipline of pupils; and

(5) Enhance the professional development offered for the teachers and administrators employed at the school to include the activities set forth in 20 U.S.C. § 7801(34) and to address the specific needs of pupils enrolled in the school, as deemed appropriate by the principal.

(i) An identification, by category, of the employees of the school who are responsible for ensuring that the plan is carried out effectively.

(j) In consultation with the school district or governing body, as applicable, an identification, by category, of the employees of the school district or governing body, if any, who are responsible for ensuring that the plan is carried out effectively or for overseeing and monitoring whether the plan is carried out effectively.

(k) In consultation with the Department, an identification, by category, of the employees of the Department, if any, who are responsible for overseeing and monitoring whether the plan is carried out effectively.

(l) For each provision of the plan, a timeline for carrying out that provision, including, without limitation, a timeline for monitoring whether the provision is carried out effectively.

(m) For each provision of the plan, measurable criteria for determining whether the provision has contributed toward improving the academic achievement of pupils, increasing the rate of attendance of pupils and reducing the number of pupils who drop out of school.

(n) The resources available to the school to carry out the plan. If this State has a financial analysis program that is designed to track educational expenditures and revenues to individual schools, each school shall use that statewide program in complying with this paragraph. If a statewide program is not available, each school shall use the financial analysis program used by the school district in which the school is located in complying with this paragraph.

(o) A summary of the effectiveness of appropriations made by the Legislature that are available to the school to improve the academic achievement of pupils and programs approved by the Legislature to improve the academic achievement of pupils.

(p) A budget of the overall cost for carrying out the plan.

3. In addition to the requirements of subsection 2, if a school has been designated as demonstrating need for improvement pursuant to NRS 385.3623, the plan must comply with 20 U.S.C. § 6316(b)(3) and the regulations adopted pursuant thereto.

4. Except as otherwise provided in subsection 5, the principal of each school shall, in consultation with the employees of the school:

(a) Review the plan prepared pursuant to this section annually to evaluate the effectiveness of the plan; and

(b) Based upon the evaluation of the plan, make revisions, as necessary, to ensure that the plan is designed to improve the academic achievement of pupils enrolled in the school.

5. If a school has been designated as demonstrating need for improvement pursuant to NRS 385.3623 and a support team has been established for the school, the support team shall review the plan and make revisions to the most recent plan for improvement of the school pursuant to NRS 385.36127. If the school is a Title I school that has been designated as demonstrating need for improvement, the support team established for the school shall, in making revisions to the plan, work in consultation with parents and guardians of pupils enrolled in the school and, to the extent deemed appropriate by the entity responsible for creating the support team, outside experts.

6. On or before December 15 of each year, the principal of each school or the support team established for the school, as applicable, shall submit the plan or the revised plan, as applicable, to:

(a) If the school is a public school of the school district, the superintendent of schools of the school district.

(b) If the school is a charter school, the governing body of the charter school.

7. If a Title I school is designated as demonstrating need for improvement pursuant to NRS 385.3623, the superintendent of schools of the school district or the governing body, as applicable, shall carry out a process for peer review of the plan or the revised plan, as applicable, in accordance with 20 U.S.C. § 6316(b)(3)(E) and the regulations adopted pursuant thereto. Not later than 45 days after receipt of the plan, the superintendent of schools of the school district or the governing body, as applicable, shall approve the plan or the revised plan, as applicable, if it meets the requirements of 20 U.S.C. § 6316(b)(3) and the regulations adopted pursuant thereto and the requirements of this section. The superintendent of schools of the school district or the governing body, as applicable, may condition approval of the plan or the revised plan, as applicable, in the manner set forth in 20 U.S.C. § 6316(b)(3)(B) and the regulations adopted pursuant thereto. The State Board shall prescribe the requirements for the process of peer review, including, without limitation, the qualifications of persons who may serve as peer reviewers.

8. If a school is designated as demonstrating exemplary achievement, high achievement or adequate achievement, or if a school that is not a Title I school is designated as demonstrating need for improvement, not later than 45 days after receipt of the plan or the revised plan, as applicable, the superintendent of schools of the school district or the governing body, as applicable, shall approve the plan or the revised plan if it meets the requirements of this section.

9. On or before January 31 of each year, the principal of each school or the support team established for the school, as applicable, shall submit the final plan or the final revised plan, as applicable, to the:

(a) Superintendent of Public Instruction;

(b) Governor;

(c) State Board;

(d) Department;

(e) Committee;

(f) Bureau; and

(g) Board of trustees of the school district in which the school is located or, if the school is a charter school, the sponsor of the charter school and the governing body of the charter school.

10. A plan for the improvement of a school must be carried out expeditiously, but not later than February 15 after approval of the plan pursuant to subsection 7 or 8, as applicable.

Sec. 6. NRS 385.361 is hereby amended to read as follows:

385.361 1. The State Board shall define the measurement for determining whether each public school, each school district and this State are making adequate yearly progress. The definition of adequate yearly progress must:

(a) Comply with 20 U.S.C. § 6311(b)(2) and the regulations adopted pursuant thereto;

(b) Be designed to ensure that all pupils will meet or exceed the minimum level of proficiency set by the State Board, including, without limitation:

(1) Pupils who are economically disadvantaged, as defined by the State Board;

(2) Pupils from major racial and ethnic groups, as defined by the State Board;

(3) Pupils with disabilities; and

(4) Pupils who are limited English proficient;

(c) Be based primarily upon the measurement of progress of pupils on the examinations administered pursuant to NRS 389.550 or the ~~high school proficiency examination,~~ *examinations administered pursuant to NRS 389.805*, as applicable;

(d) Include annual measurable objectives established pursuant to 20 U.S.C. § 6311(b)(2)(G) and the regulations adopted pursuant thereto;

(e) For high schools, include the rate of graduation; and

(f) For elementary schools, junior high schools and middle schools, include the rate of attendance.

2. The examination in science must not be included in the definition of adequate yearly progress.

3. The State Board shall prescribe, by regulation, the differentiated corrective actions, the consequences or the sanctions, or any combination thereof, based upon the identified needs of a public school, including, without limitation, the educational needs of English language learners, pupils with disabilities or other groups of pupils identified in paragraph (b) of subsection 1, that apply to the public school that has been designated as demonstrating need for improvement for 4 consecutive years or more, including, without limitation, the establishment of a support team for a school if deemed necessary by the Department in accordance with the regulations of the State Board. In no event may the consequences or sanctions be more strict than the restructuring that applies to Title I schools.

Sec. 7. NRS 385.3612 is hereby amended to read as follows:

385.3612 1. The State Board shall adopt regulations that prescribe, consistent with 20 U.S.C. §§ 6301 et seq., and the regulations adopted pursuant thereto, the manner in which pupils enrolled in:

(a) A program of distance education pursuant to NRS 388.820 to 388.874, inclusive;

(b) An alternative program for the education of pupils at risk of dropping out of school pursuant to NRS 388.537; or

(c) A program of education that:

(1) Primarily serves pupils with disabilities; or

(2) Is operated within a:

(I) Local, regional or state facility for the detention of children;

(II) Juvenile forestry camp;

(III) Child welfare agency; or

(IV) Correctional institution,

→ will be included within the statewide system of accountability set forth in NRS 385.3455 to 385.391, inclusive.

2. The regulations adopted pursuant to subsection 1 must also set forth the manner in which:

(a) The progress of pupils enrolled in a program of distance education, an alternative program or a program of education described in subsection 1 will be accounted for within the statewide system of accountability; and

(b) The results of pupils enrolled in a program of distance education, an alternative program or a program of education described in subsection 1 on the examinations administered pursuant to NRS ~~389.015 and~~ 389.550 *and, if applicable for the grade levels of the pupils enrolled, the examinations administered pursuant to NRS 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act* will be reported.

Sec. 8. NRS 385.36129 is hereby amended to read as follows:

385.36129 1. In addition to the duties prescribed in NRS 385.36127, a support team established for a school shall prepare an annual written report that includes:

(a) Information concerning the most recent plan to improve the achievement of the school's pupils, the turnaround plan for the school or the plan for restructuring the school, whichever is applicable for the school, including, without limitation, an evaluation of:

(1) The appropriateness of the plan for the school; and

(2) Whether the school has achieved the goals and objectives set forth in the plan;

(b) The written revisions to the plan to improve the achievement of the school's pupils or written recommendations for revisions to the turnaround plan for the school or the plan for restructuring the school, whichever is applicable for the school, submitted by the support team pursuant to NRS 385.36127;

(c) A summary of each program for remediation, if any, purchased for the school with money that is available from the Federal Government, this state and the school district in which the school is located, including, without limitation:

(1) The name of the program;

(2) The date on which the program was purchased and the date on which the program was carried out by the school;

(3) The percentage of personnel at the school who were trained regarding the use of the program;

(4) The satisfaction of the personnel at the school with the program; and
(5) An evaluation of whether the program has improved the academic achievement of the pupils enrolled in the school who participated in the program;

(d) An analysis of the problems and factors at the school which contributed to the designation of the school as demonstrating need for improvement, including, without limitation, issues relating to:

(1) The financial resources of the school;
(2) The administrative and educational personnel of the school;
(3) The curriculum of the school;
(4) The facilities available at the school, including the availability and accessibility of educational technology; and

(5) Any other factors that the support team believes contributed to the designation of the school as demonstrating need for improvement; and

(e) Other information concerning the school, including, without limitation:

(1) The results of the pupils who are enrolled in the school on the examinations that are administered pursuant to NRS 389.550 ~~for the high school proficiency examination, as applicable;~~ *and, if applicable for the grade levels of the school, the end-of-course examinations administered pursuant to NRS 389.805;*

(2) Records of the attendance and truancy of pupils who are enrolled in the school;

(3) The transiency rate of pupils who are enrolled in the school;

(4) A description of the number of years that each teacher has provided instruction at the school and the rate of turnover of teachers and other educational personnel employed at the school;

(5) A description of the participation of parents and legal guardians in the educational process and other activities relating to the school;

(6) A description of each source of money for the remediation of pupils who are enrolled in the school;

(7) Except as otherwise provided in subparagraph (8), a description of the disciplinary problems of the pupils who are enrolled in the school, including, without limitation, the information contained in paragraphs (m) to (p), inclusive, of subsection 2 of NRS 385.347; and

(8) For a charter school, a description of the disciplinary problems of the pupils enrolled in the charter school as reported in the annual report of accountability prepared by the State Public Charter School Authority or the college or university within the Nevada System of Higher Education that sponsors the charter school, as applicable, pursuant to subsection 3 of NRS 385.347.

2. On or before December 15, the support team of a school other than a charter school shall submit a copy of the final written report to the:

(a) Principal of the school;

(b) Board of trustees of the school district in which the school is located;

(c) Superintendent of schools of the school district in which the school is located;

(d) Department; and

(e) Bureau.

➡ The support team shall make the written report available, upon request, to each parent or legal guardian of a pupil who is enrolled in the school.

3. On or before December 15, the support team for a charter school shall submit a copy of the final written report to the:

(a) Principal of the charter school;

(b) Sponsor of the charter school;

(c) Governing body of the charter school;

(d) Department; and

(e) Bureau.

➡ The support team shall make the written report available, upon request, to each parent or legal guardian of a pupil who is enrolled in the charter school.

Sec. 9. NRS 385.3613 is hereby amended to read as follows:

385.3613 1. Except as otherwise provided in subsection 2, on or before July 31 of each year, the Department shall determine whether each public school is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361.

2. On or before July 31 of each year, the Department shall determine whether each public school that operates on a schedule other than a traditional 9-month schedule is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361.

3. The determination pursuant to subsection 1 or 2, as applicable, for a public school, including, without limitation, a charter school sponsored by the board of trustees of the school district, must be made in consultation with the board of trustees of the school district in which the public school is located. If a charter school is sponsored by the State Public Charter School Authority or by a college or university within the Nevada System of Higher Education, the Department shall make a determination for the charter school in consultation with the State Public Charter School Authority or the institution within the Nevada System of Higher Education that sponsors the charter school, as applicable. The determination made for each school must be based only upon the information and data for those pupils who are enrolled in the school for a full academic year. On or before July 31 of each year, the Department shall transmit:

(a) Except as otherwise provided in paragraph (b) or (c), the determination made for each public school to the board of trustees of the school district in which the public school is located.

(b) To the State Public Charter School Authority the determination made for each charter school that is sponsored by the State Public Charter School Authority.

(c) The determination made for the charter school to the institution that sponsors the charter school if a charter school is sponsored by a college or university within the Nevada System of Higher Education.

4. Except as otherwise provided in this subsection, the Department shall determine that a public school has failed to make adequate yearly progress if any group identified in paragraph (b) of subsection 1 of NRS 385.361 does not satisfy the annual measurable objectives established by the State Board pursuant to that section. To comply with 20 U.S.C. § 6311(b)(2)(I) and the regulations adopted pursuant thereto, the State Board shall prescribe by regulation the conditions under which a school shall be deemed to have made adequate yearly progress even though a group identified in paragraph (b) of subsection 1 of NRS 385.361 did not satisfy the annual measurable objectives of the State Board.

5. In addition to the provisions of subsection 4, the Department shall determine that a public school has failed to make adequate yearly progress if:

(a) The number of pupils enrolled in the school who took the examinations administered pursuant to NRS 389.550 or the ~~high school proficiency examination,~~ *examinations administered pursuant to NRS 389.805*, as applicable, is less than 95 percent of all pupils enrolled in the school who were required to take the examinations; or

(b) Except as otherwise provided in subsection 6, for each group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361, the number of pupils in the group enrolled in the school who took the examinations administered pursuant to NRS 389.550 or the ~~high school proficiency examination,~~ *examinations administered pursuant to NRS 389.805*, as applicable, is less than 95 percent of all pupils in that group enrolled in the school who were required to take the examinations.

6. If the number of pupils in a particular group who are enrolled in a public school is insufficient to yield statistically reliable information:

(a) The Department shall not determine that the school has failed to make adequate yearly progress pursuant to paragraph (b) of subsection 5 based solely upon that particular group.

(b) The pupils in such a group must be included in the overall count of pupils enrolled in the school who took the examinations.

➤ The State Board shall prescribe the mechanism for determining the number of pupils that must be in a group for that group to yield statistically reliable information.

7. If an irregularity in testing administration or an irregularity in testing security occurs at a school and the irregularity invalidates the test scores of pupils, those test scores must be included in the scores of pupils reported for the school, the attendance of those pupils must be counted towards the total number of pupils who took the examinations and the pupils must be included in the total number of pupils who were required to take the examinations.

8. As used in this section:

(a) "Irregularity in testing administration" has the meaning ascribed to it in NRS 389.604.

(b) "Irregularity in testing security" has the meaning ascribed to it in NRS 389.608.

Sec. 10. NRS 385.3762 is hereby amended to read as follows:

385.3762 1. On or before August 15 of each year, the Department shall determine whether each school district is making adequate yearly progress, as defined by the State Board pursuant to NRS 385.361. The pupils who are enrolled in a charter school, if any, located within a school district must not be included in the determination made for that school district. The determination made for each school district must be based only upon the information and data for those pupils who were enrolled in the school district for a full academic year, regardless of whether those pupils attended more than one school within the school district for that academic year.

2. Except as otherwise provided in this subsection, the Department shall determine that a school district has failed to make adequate yearly progress if any group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school district does not satisfy the annual measurable objectives established by the State Board pursuant to that section. To comply with 20 U.S.C. § 6311(b)(2)(I) and the regulations adopted pursuant thereto, the State Board shall prescribe by regulation the conditions under which a school district shall be deemed to have made adequate yearly progress even though a group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361 who are enrolled in the school district did not satisfy the annual measurable objectives of the State Board.

3. In addition to the provisions of subsection 2, the Department shall determine that a school district has failed to make adequate yearly progress if:

(a) The number of pupils enrolled in the school district who took the examinations administered pursuant to NRS 389.550 or the ~~high school proficiency examination,~~ *examinations administered pursuant to NRS 389.805*, as applicable, is less than 95 percent of all pupils enrolled in the school district who were required to take the examinations; or

(b) Except as otherwise provided in subsection 4, for each group of pupils identified in paragraph (b) of subsection 1 of NRS 385.361, the number of pupils enrolled in the school district who took the examinations administered pursuant to NRS 389.550 or the ~~high school proficiency examination,~~ *examinations administered pursuant to NRS 389.805*, as applicable, is less than 95 percent of all pupils in the group who were required to take the examinations.

4. If the number of pupils in a particular group who are enrolled in a school district is insufficient to yield statistically reliable information:

(a) The Department shall not determine that the school district has failed to make adequate yearly progress pursuant to paragraph (b) of subsection 3 based solely upon that particular group.

(b) The pupils in such a group must be included in the overall count of pupils enrolled in the school district who took the examinations.

↪ The State Board shall prescribe the mechanism for determining the minimum number of pupils that must be in a group for that group to yield statistically reliable information.

Sec. 11. NRS 385.389 is hereby amended to read as follows:

385.389 1. The Department shall adopt programs of remedial study for each subject tested on the examinations administered pursuant to NRS ~~[389.015 and]~~ 389.550 ~~[,]~~ and 389.805, including, without limitation, programs that are designed for pupils who are limited English proficient. The programs adopted for pupils who are limited English proficient must be designed to:

(a) Improve the academic achievement of those pupils; or

(b) Assist those pupils with attaining proficiency in the English language.

↪ In adopting these programs of remedial study, the Department shall consider the recommendations submitted by the Committee pursuant to NRS 218E.615 and programs of remedial study that have proven to be successful in improving the academic achievement of pupils.

2. If a school fails to make adequate yearly progress based upon the results of the examinations administered pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805, the school shall adopt a program of remedial study that has been adopted by the Department pursuant to subsection 1 or a program, practice or strategy recommended by the Commission on Educational Excellence pursuant to NRS 385.3785, or any combination thereof, as applicable.

3. A school district that includes a school described in subsection 2 shall ensure that each of the pupils enrolled in the school who failed to demonstrate at least adequate achievement on the examinations administered pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805, as applicable, completes remedial study that is determined to be appropriate for the pupil.

Sec. 12. NRS 385.3891 is hereby amended to read as follows:

385.3891 1. The Department shall establish a monitoring system for the statewide system of accountability. The monitoring system must identify significant levels of achievement of pupils on the examinations that are administered pursuant to NRS 389.550 and ~~the~~ ~~high school proficiency examination that is~~ ~~examinations administered pursuant to NRS~~ ~~[389.015,]~~ 389.805 ~~and~~ the college and career readiness assessment administered pursuant to section 19 of this act, identified by school and by school district.

2. On or before October 1 of each year, the Department shall prepare a written summary of the findings made pursuant to subsection 1. The written summary must be provided to:

(a) The Committee; and

(b) If the findings show inconsistencies applicable to a particular school district or school within a school district, the board of trustees of that school district.

3. The Committee shall review the report submitted pursuant to subsection 2 and take such action as it deems appropriate.

Sec. 12.3. NRS 385.448 is hereby amended to read as follows:

385.448 1. *The State Board shall select an assessment which enables a person who satisfies the requirements of subsection 2 or 3, as applicable, to demonstrate that he or she has achieved an educational level which is an acceptable substitute for completing a high school education.*

2. A person who:

(a) Is 17 years of age or older;
 (b) If he or she is at least 17 years of age but less than 18 years of age, submits to the State Board written permission signed by his or her parent or legal guardian;

(c) Has not graduated from a high school;

(d) Is not currently enrolled in a high school; and

(e) Satisfies any other requirements prescribed by the State Board,

→ may take the ~~{tests of general educational development prescribed}~~ *high school equivalency assessment selected by the State Board.*

~~{2.}~~ 3. The board of trustees of a school district may, upon request and for good cause shown, grant permission to take the ~~{tests of general educational development prescribed}~~ *high school equivalency assessment selected by the State Board to a person who:*

(a) Resides in the school district;

(b) Is at least 16 years of age but less than 17 years of age;

(c) Submits to the board of trustees written permission signed by his or her parent or legal guardian;

(d) Has not graduated from a high school;

(e) Is not currently enrolled in a high school; and

(f) Satisfies any other requirements prescribed by the board of trustees.

~~{3.}~~ 4. The State Board may adopt regulations to carry out the provisions of ~~{subsection 1.}~~

4. ~~As used in this section, "tests of general educational development" means examinations which enable persons who have not graduated from high school to demonstrate that they have achieved an educational level which is an acceptable substitute for completing a high school education.}~~ *this section.*

Sec. 12.5. NRS 385.451 is hereby amended to read as follows:

385.451 It is unlawful to disclose the questions contained in ~~{tests of general educational development}~~ *the high school equivalency assessment selected by the State Board pursuant to NRS 385.448* and the approved answers used for grading the ~~{tests}~~ *assessment* except:

1. To the extent that disclosure is required in the Department's administration of the ~~{tests.}~~ *assessment.*

2. That a disclosure may be made to a state officer who is a member of the Executive or Legislative branch to the extent that it is related to the performance of that officer's duties.

Sec. 13. NRS 386.550 is hereby amended to read as follows:

386.550 1. A charter school shall:

(a) Comply with all laws and regulations relating to discrimination and civil rights.

(b) Remain nonsectarian, including, without limitation, in its educational programs, policies for admission and employment practices.

(c) Refrain from charging tuition or fees, levying taxes or issuing bonds.

(d) Comply with any plan for desegregation ordered by a court that is in effect in the school district in which the charter school is located.

(e) Comply with the provisions of chapter 241 of NRS.

(f) Except as otherwise provided in this paragraph, schedule and provide annually at least as many days of instruction as are required of other public schools located in the same school district as the charter school is located. The governing body of a charter school may submit a written request to the Superintendent of Public Instruction for a waiver from providing the days of instruction required by this paragraph. The Superintendent of Public Instruction may grant such a request if the governing body demonstrates to the satisfaction of the Superintendent that:

(1) Extenuating circumstances exist to justify the waiver; and

(2) The charter school will provide at least as many hours or minutes of instruction as would be provided under a program consisting of 180 days.

(g) Cooperate with the board of trustees of the school district in the administration of the ~~{achievement and proficiency}~~ examinations administered pursuant to ~~[NRS 389.015 and the examinations required pursuant to]~~ NRS 389.550 and, *if the charter school enrolls pupils at a high school grade level, the end-of-course examinations administered pursuant to NRS 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act* to the pupils who are enrolled in the charter school.

(h) Comply with applicable statutes and regulations governing the achievement and proficiency of pupils in this State.

(i) Provide instruction in the core academic subjects set forth in subsection 1 of NRS 389.018, as applicable for the grade levels of pupils who are enrolled in the charter school, and provide at least the courses of study that are required of pupils by statute or regulation for promotion to the next grade or graduation from a public high school and require the pupils who are enrolled in the charter school to take those courses of study. This paragraph does not preclude a charter school from offering, or requiring the pupils who are enrolled in the charter school to take, other courses of study that are required by statute or regulation.

(j) If the parent or legal guardian of a child submits an application to enroll in kindergarten, first grade or second grade at the charter school, comply with NRS 392.040 regarding the ages for enrollment in those grades.

(k) Refrain from using public money to purchase real property or buildings without the approval of the sponsor.

(l) Hold harmless, indemnify and defend the sponsor of the charter school against any claim or liability arising from an act or omission by the governing body of the charter school or an employee or officer of the charter school. An action at law may not be maintained against the sponsor of a charter school for any cause of action for which the charter school has obtained liability insurance.

(m) Provide written notice to the parents or legal guardians of pupils in grades 9 to 12, inclusive, who are enrolled in the charter school of whether the charter school is accredited by the Commission on Schools of the Northwest Association of Schools and of Colleges and Universities.

(n) Adopt a final budget in accordance with the regulations adopted by the Department. A charter school is not required to adopt a final budget pursuant to NRS 354.598 or otherwise comply with the provisions of chapter 354 of NRS.

(o) If the charter school provides a program of distance education pursuant to NRS 388.820 to 388.874, inclusive, comply with all statutes and regulations that are applicable to a program of distance education for purposes of the operation of the program.

2. A charter school shall not provide instruction through a program of distance education to children who are exempt from compulsory attendance authorized by the State Board pursuant to subsection 1 of NRS 392.070. As used in this subsection, "distance education" has the meaning ascribed to it in NRS 388.826.

Sec. 14. NRS 386.5515 is hereby amended to read as follows:

386.5515 1. To the extent money is available from legislative appropriation or otherwise, a charter school may apply to the Department for money for facilities if:

(a) The charter school has been operating in this State for at least 5 consecutive years and is in good financial standing;

(b) Each financial audit and each performance audit of the charter school required by the Department pursuant to NRS 386.540 contains no major notations, corrections or errors concerning the charter school for at least 5 consecutive years;

(c) The charter school has met or exceeded adequate yearly progress as determined pursuant to NRS 385.3613 or has demonstrated improvement in the achievement of pupils enrolled in the charter school, as indicated by annual measurable objectives determined by the State Board, for the majority of the years of its operation; and

(d) At least 75 percent of the pupils enrolled in grade 12 in the charter school in the immediately preceding school year ~~[who] have [completed the required course work for graduation have passed the high school proficiency examination.]~~ *satisfied the criteria prescribed by the State Board pursuant to NRS 389.805*, if the charter school enrolls pupils at a high school grade level.

2. A charter school that satisfies the requirements of subsection 1 shall submit to a performance audit as required by the Department one time every

3 years. The sponsor of the charter school and the Department shall not request a performance audit of the charter school more frequently than every 3 years without reasonable evidence of noncompliance in achieving the educational goals and objectives of the charter school based upon the annual report submitted to the Department pursuant to NRS 386.610. If the charter school no longer satisfies the requirements of subsection 1 or if reasonable evidence of noncompliance in achieving the educational goals and objectives of the charter school exists based upon the annual report, the charter school shall, upon written notice from the sponsor, submit to an annual performance audit. Notwithstanding the provisions of paragraph (b) of subsection 1, such a charter school:

(a) May, after undergoing the annual performance audit, reapply to the sponsor to determine whether the charter school satisfies the requirements of paragraphs (a), (c) and (d) of subsection 1.

(b) Is not eligible for any available money pursuant to subsection 1 until the sponsor determines that the charter school satisfies the requirements of that subsection.

3. A charter school that does not satisfy the requirements of subsection 1 shall submit a quarterly report of the financial status of the charter school if requested by the sponsor of the charter school.

Sec. 15. NRS 386.740 is hereby amended to read as follows:

386.740 1. Each empowerment plan for a school must:

(a) Set forth the manner by which the school will be governed;

(b) Set forth the proposed budget for the school, including, without limitation, the cost of carrying out the empowerment plan, and the manner by which the money apportioned to the school will be administered;

(c) If a school support team has been established for the school in accordance with the regulations of the State Board adopted pursuant to NRS 385.361, require the principal and the empowerment team for the school to work in consultation with the school support team;

(d) Prescribe the academic plan for the school, including, without limitation, the manner by which courses of study will be provided to the pupils enrolled in the school and any special programs that will be offered for pupils;

(e) Prescribe the manner by which the achievement of pupils will be measured and reported for the school, including, without limitation, the results of the pupils on the examinations administered pursuant to NRS [389.015 and] 389.550 [;] and, if applicable for the grade levels of the empowerment school, the end-of-course examinations administered pursuant to NRS 389.805 [;] and the college and career readiness assessment administered pursuant to section 19 of this act;

(f) Prescribe the manner by which teachers and other licensed educational personnel will be selected and hired for the school, which must be determined and negotiated pursuant to chapter 288 of NRS;

(g) Prescribe the manner by which all other staff for the school will be selected and hired, which must be determined and negotiated pursuant to chapter 288 of NRS;

(h) Indicate whether the empowerment plan will offer an incentive pay structure for staff and a description of that pay structure, if applicable;

(i) Indicate the intended ratio of pupils to teachers at the school, designated by grade level, which must comply with NRS 388.700 or 388.720, as applicable;

(j) Provide a description of the professional development that will be offered to the teachers and other licensed educational personnel employed at the school;

(k) Prescribe the manner by which the empowerment plan will increase the involvement of parents and legal guardians of pupils enrolled in the school;

(l) Comply with the plan to improve the achievement of the pupils enrolled in the school prepared pursuant to NRS 385.357, the turnaround plan for the school implemented pursuant to NRS 385.37603 or the plan for restructuring the school implemented pursuant to NRS 385.37607, whichever is applicable for the school;

(m) Address the specific educational needs and concerns of the pupils who are enrolled in the school; and

(n) Set forth the calendar and schedule for the school.

2. If the empowerment plan includes an incentive pay structure, that pay structure must:

(a) Provide an incentive for all staff employed at the school;

(b) Set forth the standards that must be achieved by the pupils enrolled in the school and any other measurable objectives that must be met to be eligible for incentive pay; and

(c) Be in addition to the salary or hourly rate of pay negotiated pursuant to chapter 288 of NRS that is otherwise payable to the employee.

3. An empowerment plan may:

(a) Request a waiver from a statute contained in this title or a regulation of the State Board or the Department.

(b) Identify the services of the school district which the school wishes to receive, including, without limitation, professional development, transportation, food services and discretionary services. Upon approval of the empowerment plan, the school district may deduct from the total apportionment to the empowerment school the costs of such services.

4. For purposes of determining the budget pursuant to paragraph (b) of subsection 1, if a public school which converts to an empowerment school is a:

(a) Charter school, the amount of the budget is the amount equal to the apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, and its proportionate share of

any other money available from federal, state or local sources that the school or the pupils enrolled in the school are eligible to receive.

(b) Public school, other than a charter school, the empowerment team for the school shall have discretion of 90 percent of the amount of money from the state financial aid and local funds that the school district apportions for the school, without regard to any line-item specifications or specific uses determined advisable by the school district, unless the empowerment team determines that a lesser amount is necessary to carry out the empowerment plan.

Sec. 16. NRS 386.765 is hereby amended to read as follows:

386.765 1. Except as otherwise provided pursuant to a waiver granted in accordance with NRS 386.745 or 386.750, each empowerment school, each person employed by an empowerment school and each pupil enrolled in an empowerment school shall comply with the applicable requirements of state law, including, without limitation, the standards of content and performance prescribed pursuant to NRS 389.520 and the examinations that are administered pursuant to NRS ~~[389.015 and]~~ 389.550 ~~[.]~~ *and 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act.*

2. Each empowerment school may accept gifts, grants and donations from any source for the support of its empowerment plan. A person who gives a gift, grant or donation may designate all or part of the gift, grant or donation specifically to carry out the incentive pay structure of the school, if applicable.

Sec. 17. NRS 388.205 is hereby amended to read as follows:

388.205 1. The board of trustees of each school district shall adopt a policy for each public school in the school district in which ninth grade pupils are enrolled to develop a 4-year academic plan for each of those pupils. The academic plan must set forth the specific educational goals that the pupil intends to achieve before graduation from high school. The plan may include, without limitation, the designation of a career pathway and enrollment in dual credit courses, career and technical education courses, advanced placement courses and honors courses.

2. The policy may ensure that each pupil enrolled in ninth grade and the pupil's parent or legal guardian are provided with, to the extent practicable, the following information:

(a) The advanced placement courses, honors courses, international baccalaureate courses, dual credit courses, career and technical education courses, including, without limitation, career and technical skills-building programs, and any other educational programs, pathways or courses available to the pupil which will assist the pupil in the advancement of his or her education;

(b) ~~[The courses of study which the Department recommends that pupils take to prepare the pupils to successfully meet the academic challenges of the high school proficiency examination and pass that examination;~~

~~(e)}~~ The requirements for graduation from high school with a diploma and the types of diplomas available;

~~{{(d)}} (c)~~ The requirements for admission to the Nevada System of Higher Education and the eligibility requirements for a Governor Guinn Millennium Scholarship; and

~~{{(e)}} (d)~~ The charter schools within the school district.

3. The policy required by subsection 1 must require each pupil enrolled in ninth grade and the pupil's parent or legal guardian to:

(a) Be notified of opportunities to work in consultation with a school counselor to develop and review an academic plan for the pupil;

(b) Sign the academic plan; and

(c) Review the academic plan at least once each school year in consultation with a school counselor and revise the plan if necessary.

4. If a pupil enrolls in a high school after ninth grade, an academic plan must be developed for that pupil with appropriate modifications for the grade level of the pupil.

~~5. If the administration of the high school proficiency examination in the subject area of mathematics or science, or both, is postponed for a pupil pursuant to NRS 389.016, the pupil's academic plan must be revised in consultation with the pupil's teacher who provides instruction in the applicable subject area and the pupil's parent or legal guardian as set forth in NRS 389.016.~~

~~6.}~~ An academic plan for a pupil must be used as a guide for the pupil and the parent or legal guardian of the pupil to plan, monitor and manage the pupil's educational and occupational development and make determinations of the appropriate courses of study for the pupil. If a pupil does not satisfy all the goals set forth in the academic plan, the pupil is eligible to graduate and receive a high school diploma if the pupil otherwise satisfies the requirements for a diploma.

Sec. 17.5. NRS 388.575 is hereby amended to read as follows:

388.575 1. The Department of Education, after consulting with the Department of Corrections, shall:

(a) Adopt regulations that establish a statewide program of education for incarcerated persons; and

(b) Coordinate with and assist school districts in operating programs of education for incarcerated persons.

2. The statewide program may include courses of study for:

(a) A high school diploma;

(b) Basic literacy;

(c) English as a second language;

(d) General educational development;

(e) Life skills;

(f) Career and technical education; and

(g) Postsecondary education.

3. The statewide program does not include the programs of general education, vocational education and training established by the Board of State Prison Commissioners pursuant to NRS 209.389.

4. The statewide program must establish:

(a) Standards for each course of study that set forth the:

(1) Curriculum;

(2) Qualifications for entry; and

(3) Evaluation of incarcerated persons for placement; and

(b) Procedures to ensure that an incarcerated person who earns credits in a program of education for incarcerated persons operated by a school district at a facility or institution shall, if transferred to a different facility or institution, transfer those credits to the program operated by a school district at that facility or institution.

5. As used in this section, "general educational development" means preparation for and administration of the standardized examinations *or other high school equivalency assessments* that enable persons who have not graduated from high school to demonstrate that they have achieved an educational level which denotes competency in core curriculum. The term includes programs for obtaining a general educational development certificate ~~{-}~~ *or an equivalent document*.

Sec. 18. NRS 388.874 is hereby amended to read as follows:

388.874 1. The State Board shall adopt regulations that prescribe:

(a) The process for submission of an application by a person or entity for inclusion of a course of distance education on the list prepared by the Department pursuant to NRS 388.834 and the contents of the application;

(b) The process for submission of an application by the board of trustees of a school district, the governing body of a charter school or a committee to form a charter school to provide a program of distance education and the contents of the application;

(c) The qualifications and conditions for enrollment that a pupil must satisfy to enroll in a program of distance education, consistent with NRS 388.850;

(d) A method for reporting to the Department the number of pupils who are enrolled in a program of distance education and the attendance of those pupils;

(e) The requirements for assessing the achievement of pupils who are enrolled in a program of distance education, which must include, without limitation, the administration of the ~~{achievement and proficiency}~~ examinations required pursuant to NRS ~~{389.015 and}~~ 389.550 ~~{-}~~ *and, if applicable for the grade levels of the pupils enrolled, the administration of the examinations pursuant to NRS 389.805 ~~for~~ and the college and career readiness assessment pursuant to section 19 of this act;* and

(f) A written description of the process pursuant to which the State Board may revoke its approval for the operation of a program of distance education.

2. The State Board may adopt regulations as it determines are necessary to carry out the provisions of NRS 388.820 to 388.874, inclusive.

Sec. 19. Chapter 389 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The State Board shall select a college and career readiness assessment for administration, commencing with the 2014-2015 school year and each school year thereafter, to pupils who are enrolled in grade 11 in public high schools.*

~~2. Except as otherwise provided in this subsection, a pupil must take the college and career readiness assessment to receive a standard high school diploma. The results of a pupil on the assessment must not be used in the determination of whether the pupil satisfies the requirements for receipt of a standard high school diploma. A pupil with a disability may, in accordance with his or her individualized education program, be exempt from the requirement to take the college and career readiness assessment.~~

3. *The assessment selected pursuant to subsection 1 must be:*

(a) *Administered at the same time during the school year by the board of trustees of each school district to pupils enrolled in grade 11 in all public high schools of the school district and by the governing body of each charter school that enrolls pupils in grade 11, as prescribed by the State Board, and in accordance with uniform procedures adopted by the State Board. The Department shall monitor the compliance of the school districts and individual schools with the uniform procedures and report to the State Board any instance of noncompliance.*

(b) *Administered in accordance with the plan adopted by the Department pursuant to NRS 389.616 and with the plan adopted by the board of trustees of the school district in which the assessment is administered pursuant to NRS 389.620. The Department shall monitor the compliance of the school districts and individual schools with:*

(1) The plan adopted by the Department; and

(2) The plan adopted by the board of trustees of the applicable school district, to the extent that the plan adopted by the board of trustees of the school district is consistent with the plan adopted by the Department, and shall report to the State Board any instance of noncompliance.

4. *The assessment selected pursuant to subsection 1 must:*

(a) *Be used to provide data and information to each pupil who takes the assessment in a manner that allows the pupil to review the areas of his or her academic strengths and weaknesses, including, without limitation, areas where additional work in the subject areas tested on the assessment is necessary to prepare for college and career success without the need for remediation; and*

(b) *Allow teachers and other educational personnel to use the results of a pupil on the assessment to provide appropriate interventions for the pupil to prepare for college and career success.*

5. *The State Board may work in consultation with the boards of trustees of school districts and, if a charter school enrolls pupils at a high school grade level, the governing body of the charter school to develop and implement appropriate plans of remediation for pupils based upon the results of the pupils on the assessment.*

Sec. 20. NRS 389.004 is hereby amended to read as follows:

389.004 The board of trustees of each school district shall maintain on its Internet website, and shall post in a timely manner, all pertinent information concerning the examinations *and assessments* available to children who reside in the school district, including, without limitation, the dates and times of, and contact information concerning, such examinations ~~[.]~~ *and assessments*. The examinations *and assessments* posted must include, without limitation:

1. The ~~[high school proficiency]~~ college ~~[examination]~~ *and career readiness assessment* administered pursuant to ~~[NRS 389.015; and]~~ *section 19 of this act.*

2. *The examinations required pursuant to NRS 389.805.*

3. All *other* college entrance examinations offered in this State, including, without limitation, the Scholastic Aptitude Test, the American College Test, the Preliminary Scholastic Aptitude Test and the National Merit Scholarship Qualifying Test.

Sec. 21. NRS 389.006 is hereby amended to read as follows:

389.006 1. In addition to any other test, examination or assessment required by state or federal law, the board of trustees of each school district may require the administration of district-wide tests, examinations and assessments ~~[including, without limitation, the practice test of the high school proficiency examination to pupils enrolled in high school,]~~ that the board of trustees determines are vital to measure the achievement and progress of pupils. In making this determination, the board of trustees shall consider any applicable findings and recommendations of the Legislative Committee on Education.

2. The tests, examinations and assessments required pursuant to subsection 1 must be limited to those which can be demonstrated to provide a direct benefit to pupils or which are used by teachers to improve instruction and the achievement of pupils.

3. The board of trustees of each school district and the State Board shall periodically review the tests, examinations and assessments administered to pupils to ensure that the time taken from instruction to conduct a test, examination or assessment is warranted because it is still accomplishing its original purpose.

Sec. 22. NRS 389.0115 is hereby amended to read as follows:

389.0115 1. If a pupil with a disability is unable to take an examination administered pursuant to NRS ~~[389.015 or]~~ 389.550 *or 389.805* under regular testing conditions, the pupil may take the examination with modifications and accommodations that the pupil's individualized education program team

determines, in consultation with the Department and in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and the No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq., are necessary to measure the progress of the pupil. If modifications or accommodations are made in the administration of an examination for a pupil with a disability, the modifications or accommodations must be set forth in the pupil's individualized education program. The results of each pupil with a disability who takes an examination with modifications or accommodations must be reported and must be included in the determination of whether the school and the school district have made adequate yearly progress.

2. The State Board shall prescribe an alternate examination for administration to a pupil with a disability if the pupil's individualized education program team determines, in consultation with the Department, that the pupil cannot participate in all or a portion of an examination administered pursuant to NRS ~~389.015 or~~ 389.550 *or* 389.805 even with modifications and accommodations.

3. The State Board shall prescribe, in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and the No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq., the modifications and accommodations that must be used in the administration of an examination to a pupil with a disability who is unable to take the examination under regular testing conditions.

4. As used in this section:

(a) "Individualized education program" has the meaning ascribed to it in 20 U.S.C. § 1414(d)(1)(A).

(b) "Individualized education program team" has the meaning ascribed to it in 20 U.S.C. § 1414(d)(1)(B).

Sec. 23. NRS 389.012 is hereby amended to read as follows:

389.012 1. The State Board shall:

(a) In accordance with guidelines established by the National Assessment Governing Board and National Center for Education Statistics and in accordance with 20 U.S.C. §§ 6301 et seq. and the regulations adopted pursuant thereto, adopt regulations requiring the schools of this State that are selected by the National Assessment Governing Board or the National Center for Education Statistics to participate in the examinations of the National Assessment of Educational Progress.

(b) Report the results of those examinations to the:

(1) Governor;

(2) Board of trustees of each school district of this State;

(3) Legislative Committee on Education created pursuant to NRS 218E.605; and

(4) Legislative Bureau of Educational Accountability and Program Evaluation created pursuant to NRS 218E.625.

(c) Include in the report required pursuant to paragraph (b) an analysis and comparison of the results of pupils in this State on the examinations required by this section with:

(1) The results of pupils throughout this country who participated in the examinations of the National Assessment of Educational Progress; and

(2) The results of pupils on the achievement and proficiency examinations administered pursuant to this chapter.

2. If the report required by subsection 1 indicates that the percentage of pupils enrolled in the public schools in this State who are proficient on the National Assessment of Educational Progress differs by more than 10 percent of the pupils who are proficient on the examinations administered pursuant to NRS 389.550 and the ~~high school proficiency examination~~ *examinations* administered pursuant to NRS ~~389.015,~~ 389.805, the Department shall prepare a written report describing the discrepancy. The report must include, without limitation, a comparison and evaluation of:

(a) The standards of content and performance for English and mathematics established pursuant to NRS 389.520 with the standards for English and mathematics that are tested on the National Assessment.

(b) The standards for proficiency established for the National Assessment with the standards for proficiency established for the examinations that are administered pursuant to NRS 389.550 and the ~~high school proficiency examination~~ *examinations* administered pursuant to NRS ~~389.015,~~ 389.805.

3. The report prepared by the Department pursuant to subsection 2 must be submitted to the:

(a) Governor;

(b) Legislative Committee on Education;

(c) Legislative Bureau of Educational Accountability and Program Evaluation; and

(d) Council to Establish Academic Standards for Public Schools.

4. The Council to Establish Academic Standards for Public Schools shall review and evaluate the report provided to the Council pursuant to subsection 3 to identify any discrepancies in the standards of content and performance established by the Council that require revision and a timeline for carrying out the revision, if necessary. The Council shall submit a written report of its review and evaluation to the Legislative Committee on Education and Legislative Bureau of Educational Accountability and Program Evaluation.

Sec. 24. NRS 389.0173 is hereby amended to read as follows:

389.0173 1. The Department shall develop an informational pamphlet concerning the ~~high school proficiency examination~~ *end-of-course examinations required pursuant to NRS 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act* for pupils who are enrolled in junior high, middle school and high school.

~~[grades 9 and 10]~~ and their parents and legal guardians. The pamphlet must include a written explanation of the:

(a) Importance of passing the ~~[examination, including, without limitation, an explanation that if the pupil fails the examination, or does not satisfy the requirements of paragraph (b) of subsection 1 of NRS 389.805, the pupil is not eligible to receive a standard high school diploma;~~

(b) Subject areas tested on the examination;

(c) Format for the examination, ~~including, without limitation, the range of items that are contained on the examination;~~

(d) Manner by which the sealed score, as reported to pupils and their parents or legal guardians, is derived from the raw score;

(e) Timeline by which the results of the examination must be reported to pupils and their parents or legal guardians;

(f) Maximum number of times that a pupil is allowed to take the examination if the pupil fails to pass the examination after the first administration;

(g) Courses of study that the Department recommends that pupils take to prepare the pupils to successfully meet the academic challenges of the examination and pass the examination; and

(h) ~~Courses of study which the Department recommends that pupils take in high school to successfully prepare for the college entrance examinations.]~~ end-of-course examinations ~~f+~~ and the importance of taking the college and career readiness assessment;

(b) Courses of study for which the end-of-course examinations are administered ~~f+~~ and the subject areas tested on the college and career readiness assessment;

(c) Format for the end-of-course examinations ~~f+~~ and the college and career readiness assessment, including, without limitation, the range of items that are contained on the examinations ~~f+~~ and the assessment; and

(d) Maximum number of times, if any, that a pupil is allowed to take the end-of-course examinations if the pupil fails to pass the examinations after the first administration.

2. The Department shall review the pamphlet on an annual basis and make such revisions to the pamphlet as it considers necessary to ensure that pupils and their parents or legal guardians fully understand the ~~[examination.]~~ end-of-course examinations ~~f+~~ and the college and career readiness assessment.

3. On or before September 1, the Department shall provide a copy of the pamphlet or revised pamphlet to the board of trustees of each school district and the governing body of each charter school that includes pupils enrolled in a junior high, middle school or high school grade level.

4. The board of trustees of each school district shall provide a copy of the pamphlet to each junior high, middle school or high school within the school district for posting. The governing body of each charter school shall ensure that a copy of the pamphlet is posted at the charter school. Each principal of a

junior high, middle school, high school or charter school shall ensure that the teachers, counselors and administrators employed at the school fully understand the contents of the pamphlet.

5. On or before ~~January 15,~~ *October 1*, the:

(a) Board of trustees of each school district shall provide a copy of the pamphlet to each pupil who is enrolled in a junior high, middle school or high school ~~grade 9 or 10~~ of the school district and to the parents or legal guardians of such a pupil.

(b) Governing body of each charter school shall provide a copy of the pamphlet to each pupil who is enrolled ~~in grade 9 or 10~~ in the charter school at a junior high, middle school or high school grade level and to the parents or legal guardians of such a pupil.

Sec. 25. NRS 389.550 is hereby amended to read as follows:

389.550 1. The State Board shall, in consultation with the Council, prescribe examinations that comply with 20 U.S.C. § 6311(b)(3) and that measure the achievement and proficiency of pupils:

(a) For grades 3, 4, 5, 6, 7 and 8 in the standards of content established by the Council for the subjects of English and mathematics.

(b) For grades 5 and 8, in the standards of content established by the Council for the subject of science.

➔ The examinations prescribed pursuant to this subsection must be written, developed, printed and scored by a nationally recognized testing company.

2. In addition to the examinations prescribed pursuant to subsection 1, the State Board shall, in consultation with the Council, prescribe a writing examination for grades 5 and 8 . ~~{and for the high school proficiency examination.}~~

3. The board of trustees of each school district and the governing body of each charter school shall administer the examinations prescribed by the State Board. The examinations must be:

(a) Administered to pupils in each school district and each charter school at the same time during the spring semester, as prescribed by the State Board.

(b) Administered in each school in accordance with uniform procedures adopted by the State Board. The Department shall monitor the school districts and individual schools to ensure compliance with the uniform procedures.

(c) Administered in each school in accordance with the plan adopted pursuant to NRS 389.616 by the Department and with the plan adopted pursuant to NRS 389.620 by the board of trustees of the school district in which the examinations are administered. The Department shall monitor the compliance of school districts and individual schools with:

(1) The plan adopted by the Department; and

(2) The plan adopted by the board of trustees of the applicable school district, to the extent that the plan adopted by the board of trustees of the school district is consistent with the plan adopted by the Department.

Sec. 26. NRS 389.604 is hereby amended to read as follows:

389.604 "Irregularity in testing administration" means the failure to administer an examination to pupils pursuant to NRS ~~[389.015 or]~~ 389.550 *or 389.805 or the college and career readiness assessment pursuant to section 19 of this act* in the manner intended by the person or entity that created the examination ~~[.]~~ *or assessment*.

Sec. 27. NRS 389.608 is hereby amended to read as follows:

389.608 "Irregularity in testing security" means an act or omission that tends to corrupt or impair the security of an examination administered to pupils pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[.]~~ *or 389.805 or the college and career readiness assessment administered pursuant to section 19 of this act*, including, without limitation:

1. The failure to comply with security procedures adopted pursuant to NRS 389.616 or 389.620;

2. The disclosure of questions or answers to questions on an examination *or assessment* in a manner not otherwise approved by law; and

3. Other breaches in the security or confidentiality of the questions or answers to questions on an examination ~~[.]~~ *or assessment*.

Sec. 28. NRS 389.616 is hereby amended to read as follows:

389.616 1. The Department shall, by regulation or otherwise, adopt and enforce a plan setting forth procedures to ensure the security of examinations that are administered to pupils pursuant to NRS ~~[389.015 and]~~ 389.550 ~~[.]~~ *and 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act*.

2. A plan adopted pursuant to subsection 1 must include, without limitation:

(a) Procedures pursuant to which pupils, school officials and other persons may, and are encouraged to, report irregularities in testing administration and testing security.

(b) Procedures necessary to ensure the security of test materials and the consistency of testing administration.

(c) Procedures that specifically set forth the action that must be taken in response to a report of an irregularity in testing administration or testing security and the actions that must be taken during an investigation of such an irregularity. For each action that is required, the procedures must identify:

(1) By category, the employees of the school district, charter school or Department, or any combination thereof, who are responsible for taking the action; and

(2) Whether the school district, charter school or Department, or any combination thereof, is responsible for ensuring that the action is carried out successfully.

(d) Objective criteria that set forth the conditions under which a school, including, without limitation, a charter school or a school district, or both, is required to file a plan for corrective action in response to an irregularity in testing administration or testing security for the purposes of NRS 389.636.

3. A copy of the plan adopted pursuant to this section and the procedures set forth therein must be submitted on or before September 1 of each year to:

- (a) The State Board; and
- (b) The Legislative Committee on Education, created pursuant to NRS 218E.605.

Sec. 29. NRS 389.620 is hereby amended to read as follows:

389.620 1. The board of trustees of each school district shall, for each public school in the district, including, without limitation, charter schools, adopt and enforce a plan setting forth procedures to ensure the security of examinations ~~[-]~~ *and assessments*.

2. A plan adopted pursuant to subsection 1 must include, without limitation:

(a) Procedures pursuant to which pupils, school officials and other persons may, and are encouraged to, report irregularities in testing administration and testing security.

(b) Procedures necessary to ensure the security of test materials and the consistency of testing administration.

(c) With respect to secondary schools, procedures pursuant to which the school district or charter school, as appropriate, will verify the identity of pupils taking an examination ~~[-]~~ *or assessment*.

(d) Procedures that specifically set forth the action that must be taken in response to a report of an irregularity in testing administration or testing security and the action that must be taken during an investigation of such an irregularity. For each action that is required, the procedures must identify, by category, the employees of the school district or charter school who are responsible for taking the action and for ensuring that the action is carried out successfully.

➡ The procedures adopted pursuant to this subsection must be consistent, to the extent applicable, with the procedures adopted by the Department pursuant to NRS 389.616.

3. A copy of each plan adopted pursuant to this section and the procedures set forth therein must be submitted on or before September 1 of each year to:

- (a) The State Board; and
- (b) The Legislative Committee on Education, created pursuant to NRS 218E.605.

4. On or before September 30 of each school year, the board of trustees of each school district and the governing body of each charter school shall provide a written notice regarding the examinations *and assessments* to all teachers and educational personnel employed by the school district or governing body, all personnel employed by the school district or governing body who are involved in the administration of the examinations ~~[-]~~ *and assessments*, all pupils who are required to take the examinations *or assessments* and all parents and legal guardians of such pupils. The written

notice must be prepared in a format that is easily understood and must include, without limitation, a description of the:

- (a) Plan adopted pursuant to this section; and
- (b) Action that may be taken against personnel and pupils for violations of the plan or for other irregularities in testing administration or testing security.

5. As used in this section:

(a) *"Assessment" means the college and career readiness assessment administered to pupils enrolled in grade 11 pursuant to section 19 of this act.*

(b) *"Examination" means:*

(1) ~~["Achievement and proficiency"]~~ *The examinations that are administered to pupils pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805; and*

(2) *Any other examinations which measure the achievement and proficiency of pupils and which are administered to pupils on a district-wide basis.*

~~[(b)]~~ (c) *"Irregularity in testing administration" means the failure to administer an examination or assessment in the manner intended by the person or entity that created the examination ~~[,~~*

~~(e)]~~ *or assessment.*

(d) *"Irregularity in testing security" means an act or omission that tends to corrupt or impair the security of an examination ~~[,]~~ or assessment, including, without limitation:*

(1) *The failure to comply with security procedures adopted pursuant to this section or NRS 389.616;*

(2) *The disclosure of questions or answers to questions on an examination or assessment in a manner not otherwise approved by law; and*

(3) *Other breaches in the security or confidentiality of the questions or answers to questions on an examination ~~[,]~~ or assessment.*

Sec. 30. NRS 389.624 is hereby amended to read as follows:

389.624 1. If the Department:

(a) *Has reason to believe that a violation of the plan adopted pursuant to NRS 389.616 may have occurred;*

(b) *Has reason to believe that a violation of the plan adopted pursuant to NRS 389.620 may have occurred with respect to an examination that is administered pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805 or the college and career readiness assessment administered pursuant to section 19 of this act; or*

(c) *Receives a request pursuant to subparagraph (2) of paragraph (b) of subsection 1 of NRS 389.628 to investigate a potential violation of the plan adopted pursuant to NRS 389.620 with respect to an examination that is administered pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805 or the college and career readiness assessment administered pursuant to section 19 of this act,*

↪ *the Department shall investigate the matter as it deems appropriate.*

2. If the Department investigates a matter pursuant to subsection 1, the Department may issue a subpoena to compel the attendance or testimony of a witness or the production of any relevant materials, including, without limitation, books, papers, documents, records, photographs, recordings, reports and tangible objects.

3. If a witness refuses to attend, testify or produce materials as required by the subpoena, the Department may report to the district court by petition, setting forth that:

(a) Due notice has been given of the time and place of attendance or testimony of the witness or the production of materials;

(b) The witness has been subpoenaed by the Department pursuant to this section; and

(c) The witness has failed or refused to attend, testify or produce materials before the Department as required by the subpoena, or has refused to answer questions propounded to him or her,

➡ and asking for an order of the court compelling the witness to attend, testify or produce materials before the Department.

4. Upon receipt of such a petition, the court shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order, and then and there show cause why the witness has not attended, testified or produced materials before the Department. A certified copy of the order must be served upon the witness.

5. If it appears to the court that the subpoena was regularly issued by the Department, the court shall enter an order that the witness appear before the Department at a time and place fixed in the order and testify or produce materials, and that upon failure to obey the order the witness must be dealt with as for contempt of court.

Sec. 31. NRS 389.628 is hereby amended to read as follows:

389.628 1. If a school official has reason to believe that a violation of the plan adopted pursuant to NRS 389.620 may have occurred, the school official shall immediately report the incident to the board of trustees of the school district. If the board of trustees of a school district has reason to believe that a violation of the plan adopted pursuant to NRS 389.620 may have occurred, the board of trustees shall:

(a) If the violation is with respect to an examination administered pursuant to NRS ~~{389.015 or}~~ 389.550 ~~{,}~~ or 389.805 or the college and career readiness assessment administered pursuant to section 19 of this act, immediately report the incident to the Department orally or in writing followed by a comprehensive written report within 14 school days after the incident occurred; and

(b) Cause to be commenced an investigation of the incident. The board of trustees may carry out the requirements of this paragraph by:

(1) Investigating the incident as it deems appropriate, including, without limitation, using the powers of subpoena set forth in this section.

(2) With respect to an examination that is administered pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805 or the college and career readiness assessment administered pursuant to section 19 of this act, requesting that the Department investigate the incident pursuant to NRS 389.624.

➡ The fact that a board of trustees elects initially to carry out its own investigation pursuant to subparagraph (1) of paragraph (b) does not affect the ability of the board of trustees to request, at any time, that the Department investigate the incident as authorized pursuant to subparagraph (2) of paragraph (b).

2. Except as otherwise provided in this subsection, if the board of trustees of a school district proceeds in accordance with subparagraph (1) of paragraph (b) of subsection 1, the board of trustees may issue a subpoena to compel the attendance or testimony of a witness or the production of any relevant materials, including, without limitation, books, papers, documents, records, photographs, recordings, reports and tangible objects. A board of trustees shall not issue a subpoena to compel the attendance or testimony of a witness or the production of materials unless the attendance, testimony or production sought to be compelled is related directly to a violation or an alleged violation of the plan adopted pursuant to NRS 389.620.

3. If a witness refuses to attend, testify or produce materials as required by the subpoena, the board of trustees may report to the district court by petition, setting forth that:

(a) Due notice has been given of the time and place of attendance or testimony of the witness or the production of materials;

(b) The witness has been subpoenaed by the board of trustees pursuant to this section; and

(c) The witness has failed or refused to attend, testify or produce materials before the board of trustees as required by the subpoena, or has refused to answer questions propounded to him or her,

➡ and asking for an order of the court compelling the witness to attend, testify or produce materials before the board of trustees.

4. Upon receipt of such a petition, the court shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order, and then and there show cause why the witness has not attended, testified or produced materials before the board of trustees. A certified copy of the order must be served upon the witness.

5. If it appears to the court that the subpoena was regularly issued by the board of trustees, the court shall enter an order that the witness appear before the board of trustees at a time and place fixed in the order and testify or produce materials, and that upon failure to obey the order the witness must be dealt with as for contempt of court.

Sec. 32. NRS 389.644 is hereby amended to read as follows:

389.644 1. The Department shall establish a program of education and training regarding the administration and security of the examinations

administered pursuant to NRS ~~[389.015 and]~~ 389.550 ~~[,]~~ or 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act. Upon approval of the Department, the board of trustees of a school district or the governing body of a charter school may establish an expanded program of education and training that includes additional education and training if the expanded program complies with the program established by the Department.

2. The board of trustees of each school district and the governing body of each charter school shall ensure that:

(a) All the teachers and other educational personnel who provide instruction to pupils enrolled in a grade level that is required to be tested pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805 or section 19 of this act, and all other personnel who are involved with the administration of the examinations that are administered pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[,]~~ or 389.805 or the college and career readiness assessment administered pursuant to section 19 of this act, receive, on an annual basis, the program of education and training established by the Department or the expanded program, if applicable; and

(b) The training and education is otherwise available for all personnel who are not required to receive the training and education pursuant to paragraph (a).

Sec. 33. NRS 389.805 is hereby amended to read as follows:

389.805 1. ~~[Except as otherwise provided in subsection 3, a pupil must receive a standard high school diploma if the pupil:~~

~~(a) Passes all subject areas of the high school proficiency examination administered pursuant to NRS 389.015 and otherwise satisfies the requirements for graduation from high school; or~~

~~(b) Has failed to pass the high school proficiency examination administered pursuant to NRS 389.015 in its entirety not less than two times before beginning grade 12 and the pupil:~~

~~(1) Passes the subject areas of mathematics and reading on the proficiency examination;~~

~~(2) Has an overall grade point average of not less than 2.75 on a 4.0 grading scale;~~

~~(3) Satisfies the alternative criteria prescribed by the State Board pursuant to subsection 4; and~~

~~(4) Otherwise satisfies the requirements for graduation from high school.~~

~~2.]~~ A pupil with a disability who does not satisfy the requirements for receipt of a standard high school diploma may receive a diploma designated as an adjusted diploma if the pupil satisfies the requirements set forth in his or her individualized education program. As used in this subsection, "individualized education program" has the meaning ascribed to it in 20 U.S.C. § 1414(d)(1)(A).

~~[3. A pupil who transfers during grade 12 to a school in this State from a school outside this State because of the military transfer of the parent or legal guardian of the pupil may receive a waiver from the requirements of paragraphs (a) and (b) of subsection 1 if, in accordance with the provisions of NRS 392C.010, the school district in which the pupil is enrolled:~~

~~(a) Accepts the results of the exit or end-of-course examinations required for graduation in the local education agency in which the pupil was previously enrolled;~~

~~(b) Accepts the results of a national norm-referenced achievement examination taken by the pupil; or~~

~~(c) Establishes an alternative test for the pupil which demonstrates proficiency in the subject areas tested on the high school proficiency examination, and the pupil successfully passes that test.~~

~~4.] 2. The State Board shall adopt regulations that prescribe the [alternative criteria] :~~

~~(a) Criteria for a pupil to receive a standard high school diploma pursuant to paragraph (b) of subsection 1, including, without limitation:~~

~~(a) An essay;~~

~~(b) A senior project; or~~

~~(c) A portfolio of work;~~

~~→ or any combination thereof, that demonstrate proficiency in the subject areas on the high school proficiency examination which the pupil failed to pass.] , which must include, without limitation, the requirement that:~~

~~(1) Commencing with the 2014-2015 school year and each school year thereafter, a pupil enrolled in grade 11 take the college and career readiness assessment administered pursuant to section 19 of this act; ~~and~~~~

~~(2) Commencing with the 2014-2015 school year and each school year thereafter, ~~for a pupil enrolled in grade 9 or 10 who completes the required instruction in a course of study~~ a pupil enroll in the courses of study designed to prepare the pupil for graduation from high school and for readiness for college and career; and~~

~~(3) Commencing with the 2014-2015 school year and each school year thereafter, a pupil pass ~~and~~ at least four end-of-course ~~examination in that course of study~~ examinations prescribed pursuant to paragraph (b).~~

~~(b) Courses of study in which pupils ~~enrolled in grades 9 and 10~~ must pass the end-of-course examinations required by subparagraph ~~[(2)] (3)~~ of paragraph (a), which must include, without limitation, the subject areas for which the State Board has adopted the common core standards ~~for~~ and which may include any other courses of study prescribed by the State Board.~~

~~(c) The maximum number of times, if any, that a pupil is allowed to take the end-of-course examinations if the pupil fails to pass the examinations after the first administration.~~

3. The criteria prescribed by the State Board pursuant to subsection 2 for a pupil to receive a standard high school diploma must not include the

results of the pupil on the college and career readiness assessment administered to the pupil in grade 11 pursuant to section 19 of this act.

4. *If a pupil does not satisfy the requirements prescribed by the State Board to receive a standard high school diploma, the pupil must not be issued a certificate of attendance or any other document indicating that the pupil attended high school but did not satisfy the requirements for such a diploma. The provisions of this subsection do not apply to a pupil who receives an adjusted diploma pursuant to subsection 1.*

Sec. 33.5. NRS 389.810 is hereby amended to read as follows:

389.810 1. Notwithstanding any provision of this title to the contrary, a person who:

(a) Left high school before graduating to serve in the Armed Forces of the United States during:

(1) World War II and so served at any time between September 16, 1940, and December 31, 1946;

(2) The Korean War and so served at any time between June 25, 1950, and January 31, 1955; or

(3) The Vietnam Era and so served at any time between January 1, 1961, and May 7, 1975;

(b) Was discharged from the Armed Forces of the United States under honorable conditions; and

(c) As a result of his or her service in the Armed Forces of the United States, did not receive a high school diploma,

↪ shall be deemed to have earned sufficient credits to receive a standard high school diploma.

2. A school district may, upon request, issue a standard high school diploma to any person who meets the requirements set forth in subsection 1. A school district may issue a standard high school diploma to such a person even if the person:

(a) Holds a general educational development credential or ~~its~~ *an* equivalent ~~document~~;

(b) Is deceased, if the family of the veteran requests the issuance of the diploma.

3. The State Board and the Office of Veterans Services shall work cooperatively to establish guidelines for identifying and issuing standard high school diplomas to persons pursuant to this section.

4. A person to whom a standard high school diploma is issued pursuant to this section shall not be deemed to be a pupil for the purposes of this title.

Sec. 34. NRS 389.900 is hereby amended to read as follows:

389.900 If the Department enters into a contract with a person or entity to score the results of an examination that is administered to pupils pursuant to NRS ~~389.015 or~~ 389.550 ~~or, if applicable, pursuant to NRS~~ 389.805 ~~or the college and career readiness assessment administered pursuant to section 19 of this act,~~ and the contract sets forth penalties or sanctions in the event that the person or entity fails to deliver the scored results to a school

district or charter school on a timely basis, the Department shall ensure that any such penalties or sanctions are fully enforced.

Sec. 34.5. Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:

"Assessment" means the college and career readiness assessment administered to pupils in grade 11 pursuant to section 19 of this act.

Sec. 35. NRS 391.166 is hereby amended to read as follows:

391.166 1. There is hereby created the Grant Fund for Incentives for Licensed Educational Personnel to be administered by the Department. The Department may accept gifts and grants from any source for deposit in the Grant Fund.

2. The board of trustees of each school district shall establish a program of incentive pay for licensed teachers, school psychologists, school librarians, school counselors and administrators employed at the school level which must be designed to attract and retain those employees. The program must be negotiated pursuant to chapter 288 of NRS and must include, without limitation, the attraction and retention of:

(a) Licensed teachers, school psychologists, school librarians, school counselors and administrators employed at the school level who have been employed in that category of position for at least 5 years in this State or another state and who are employed in schools which are at-risk, as determined by the Department pursuant to subsection 8; and

(b) Teachers who hold a license or endorsement in the field of mathematics, science, special education, English as a second language or other area of need within the school district, as determined by the Superintendent of Public Instruction.

3. A program of incentive pay established by a school district must specify the type of financial incentives offered to the licensed educational personnel. Money available for the program must not be used to negotiate the salaries of individual employees who participate in the program.

4. If the board of trustees of a school district wishes to receive a grant of money from the Grant Fund, the board of trustees shall submit to the Department an application on a form prescribed by the Department. The application must include a description of the program of incentive pay established by the school district.

5. The Superintendent of Public Instruction shall compile a list of the financial incentives recommended by each school district that submitted an application. On or before December 1 of each year, the Superintendent shall submit the list to the Interim Finance Committee for its approval of the recommended incentives.

6. After approval of the list of incentives by the Interim Finance Committee pursuant to subsection 5 and within the limits of money available in the Grant Fund, the Department shall provide grants of money to each school district that submits an application pursuant to subsection 4 based upon the amount of money that is necessary to carry out each program. If an

insufficient amount of money is available to pay for each program submitted to the Department, the amount of money available must be distributed pro rata based upon the number of licensed employees who are estimated to be eligible to participate in the program in each school district that submitted an application.

7. An individual employee may not receive as a financial incentive pursuant to a program an amount of money that is more than \$3,500 per year.

8. The Department shall, in consultation with representatives appointed by the Nevada Association of School Superintendents and the Nevada Association of School Boards, develop a formula for identifying at-risk schools for purposes of this section. The formula must be developed on or before July 1 of each year and include, without limitation, the following factors:

(a) The percentage of pupils who are eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq.;

(b) The transiency rate of pupils;

(c) The percentage of pupils who are limited English proficient;

(d) The percentage of pupils who have individualized education programs;

and

(e) ~~[(The percentage of pupils who score in the bottom two quarters on the mathematics portion or the reading portion, or both, of the high school proficiency examination; and~~

~~(f)]~~ The percentage of pupils who drop out of high school before graduation.

9. The board of trustees of each school district that receives a grant of money pursuant to this section shall evaluate the effectiveness of the program for which the grant was awarded. The evaluation must include, without limitation, an evaluation of whether the program is effective in recruiting and retaining the personnel as set forth in subsection 2. On or before December 1 of each year, the board of trustees shall submit a report of its evaluation to the:

(a) Governor;

(b) State Board;

(c) Interim Finance Committee;

(d) If the report is submitted in an even-numbered year, Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature; and

(e) Legislative Committee on Education.

Sec. 36. NRS 391.312 is hereby amended to read as follows:

391.312 1. A teacher may be suspended, dismissed or not reemployed and an administrator may be demoted, suspended, dismissed or not reemployed for the following reasons:

(a) Inefficiency;

(b) Immorality;

(c) Unprofessional conduct;

- (d) Insubordination;
- (e) Neglect of duty;
- (f) Physical or mental incapacity;
- (g) A justifiable decrease in the number of positions due to decreased enrollment or district reorganization;
- (h) Conviction of a felony or of a crime involving moral turpitude;
- (i) Inadequate performance;
- (j) Evident unfitness for service;
- (k) Failure to comply with such reasonable requirements as a board may prescribe;
- (l) Failure to show normal improvement and evidence of professional training and growth;
- (m) Advocating overthrow of the Government of the United States or of the State of Nevada by force, violence or other unlawful means, or the advocating or teaching of communism with the intent to indoctrinate pupils to subscribe to communistic philosophy;
- (n) Any cause which constitutes grounds for the revocation of a teacher's license;
- (o) Willful neglect or failure to observe and carry out the requirements of this title;
- (p) Dishonesty;
- (q) Breaches in the security or confidentiality of the questions and answers of the ~~{achievement and proficiency}~~ examinations that are administered pursuant to NRS ~~{389.015;}~~ 389.550 or 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act;
- (r) Intentional failure to observe and carry out the requirements of a plan to ensure the security of examinations *and assessments* adopted pursuant to NRS 389.616 or 389.620;
- (s) An intentional violation of NRS 388.5265 or 388.527;
- (t) Gross misconduct; or
- (u) An intentional failure to report a violation of NRS 388.135 if the teacher or administrator witnessed the violation.

2. In determining whether the professional performance of a licensed employee is inadequate, consideration must be given to the regular and special evaluation reports prepared in accordance with the policy of the employing school district and to any written standards of performance which may have been adopted by the board.

3. As used in this section, "gross misconduct" includes any act or omission that is in wanton, willful, reckless or deliberate disregard of the interests of a school or school district or a pupil thereof.

Sec. 37. NRS 391.330 is hereby amended to read as follows:

391.330 The State Board may suspend or revoke the license of any teacher, administrator or other licensed employee, after notice and an opportunity for hearing have been provided pursuant to NRS 391.322 and 391.323, for:

1. Immoral or unprofessional conduct.
2. Evident unfitness for service.
3. Physical or mental incapacity which renders the teacher, administrator or other licensed employee unfit for service.
4. Conviction of a felony or crime involving moral turpitude.
5. Conviction of a sex offense under NRS 200.366, 200.368, 201.190, 201.220, 201.230, 201.540 or 201.560 in which a pupil enrolled in a school of a county school district was the victim.
6. Knowingly advocating the overthrow of the Federal Government or of the State of Nevada by force, violence or unlawful means.
7. Persistent defiance of or refusal to obey the regulations of the State Board, the Commission or the Superintendent of Public Instruction, defining and governing the duties of teachers, administrators and other licensed employees.
8. Breaches in the security or confidentiality of the questions and answers of the ~~[achievement and proficiency]~~ examinations that are administered pursuant to NRS ~~[389.015]~~ 389.550 or 389.805 and the college and career readiness assessment administered pursuant to section 19 of this act.
9. Intentional failure to observe and carry out the requirements of a plan to ensure the security of examinations *and assessments* adopted pursuant to NRS 389.616 or 389.620.

10. An intentional violation of NRS 388.5265 or 388.527.

Sec. 37.5. NRS 391.600 is hereby amended to read as follows:

391.600 As used in NRS 391.600 to 391.648, inclusive, unless the context otherwise requires, the words and terms defined in NRS 391.604 to 391.620, inclusive, *and section 34.5 of this act* have the meanings ascribed to them in those sections.

Sec. 38. NRS 391.604 is hereby amended to read as follows:

391.604 "Examination" means:

1. ~~[Achievement and proficiency]~~ *The* examinations that are administered to pupils pursuant to NRS ~~[389.015 or]~~ 389.550 ~~[]~~ or 389.805; and
2. Any other examinations which measure the achievement and proficiency of pupils and which are administered to pupils on a district-wide basis.

Sec. 38.3. NRS 391.608 is hereby amended to read as follows:

391.608 "Irregularity in testing administration" means the failure to administer an examination *or assessment* in the manner intended by the person or entity that created the examination ~~[]~~ *or assessment*.

Sec. 38.7. NRS 391.612 is hereby amended to read as follows:

391.612 "Irregularity in testing security" means an act or omission that tends to corrupt or impair the security of an examination ~~[]~~ *or assessment*, including, without limitation:

1. The failure to comply with security procedures adopted pursuant to NRS 389.616 or 389.620;

2. The disclosure of questions or answers to questions on an examination *or assessment* in a manner not otherwise approved by law; and

3. Other breaches in the security or confidentiality of the questions or answers to questions on an examination ~~[-] or assessment.~~

Sec. 38.9. NRS 392.075 is hereby amended to read as follows:

392.075 Attendance required by the provisions of NRS 392.040 must be excused if a child has obtained permission to take the ~~tests of general educational development~~ *high school equivalency assessment* pursuant to NRS 385.448.

Sec. 39. NRS 392.700 is hereby amended to read as follows:

392.700 1. If the parent of a child who is subject to compulsory attendance wishes to homeschool the child, the parent must file with the superintendent of schools of the school district in which the child resides a written notice of intent to homeschool the child. The Department shall develop a standard form for the notice of intent to homeschool. The form must not require any information or assurances that are not otherwise required by this section or other specific statute. The board of trustees of each school district shall, in a timely manner, make only the form developed by the Department available to parents who wish to homeschool their child.

2. The notice of intent to homeschool must be filed before beginning to homeschool the child or:

(a) Not later than 10 days after the child has been formally withdrawn from enrollment in public school; or

(b) Not later than 30 days after establishing residency in this State.

3. The purpose of the notice of intent to homeschool is to inform the school district in which the child resides that the child is exempt from the requirement of compulsory attendance.

4. If the name or address of the parent or child as indicated on a notice of intent to homeschool changes, the parent must, not later than 30 days after the change, file a new notice of intent to homeschool with the superintendent of schools of the school district in which the child resides.

5. A notice of intent to homeschool must include only the following:

(a) The full name, age and gender of the child;

(b) The name and address of each parent filing the notice of intent to homeschool;

(c) A statement signed and dated by each such parent declaring that the parent has control or charge of the child and the legal right to direct the education of the child, and assumes full responsibility for the education of the child while the child is being homeschooled;

(d) An educational plan for the child that is prepared pursuant to subsection 12;

(e) If applicable, the name of the public school in this State which the child most recently attended; and

(f) An optional statement that the parent may sign which provides:

I expressly prohibit the release of any information contained in this document, including, without limitation, directory information as defined in 20 U.S.C. § 1232g(a)(5)(A), without my prior written consent.

6. Each superintendent of schools of a school district shall accept notice of intent to homeschool that is filed with the superintendent pursuant to this section and meets the requirements of subsection 5, and shall not require or request any additional information or assurances from the parent who filed the notice.

7. The school district shall provide to a parent who files a notice a written acknowledgment which clearly indicates that the parent has provided notification required by law and that the child is being homeschooled. The written acknowledgment shall be deemed proof of compliance with Nevada's compulsory school attendance law. The school district shall retain a copy of the written acknowledgment for not less than 15 years. The written acknowledgment may be retained in electronic format.

8. The superintendent of schools of a school district shall process a written request for a copy of the records of the school district, or any information contained therein, relating to a child who is being or has been homeschooled not later than 5 days after receiving the request. The superintendent of schools may only release such records or information:

(a) To a person or entity specified by the parent of the child, or by the child if the child is at least 18 years of age, upon suitable proof of identity of the parent or child; or

(b) If required by specific statute.

9. If a child who is or was homeschooled seeks admittance or entrance to any school in this State, the school may use only commonly used practices in determining the academic ability, placement or eligibility of the child. If the child enrolls in a charter school, the charter school shall, to the extent practicable, notify the board of trustees of the school district in which the child resides of the child's enrollment in the charter school. Regardless of whether the charter school provides such notification to the board of trustees, the charter school may count the child who is enrolled for the purposes of the calculation of basic support pursuant to NRS 387.1233. A homeschooled child seeking admittance to public high school must comply with NRS 392.033.

10. A school or organization shall not discriminate in any manner against a child who is or was homeschooled.

11. Each school district shall allow homeschooled children to participate in ~~the high school proficiency examination administered pursuant to NRS 389.015 and~~ all college entrance examinations offered in this State, including, without limitation, the SAT, the ACT, the Preliminary SAT and the National Merit Scholarship Qualifying Test. Each school district shall ensure that the homeschooled children who reside in the school district have adequate notice of the availability of information concerning such

examinations on the Internet website of the school district maintained pursuant to NRS 389.004.

12. The parent of a child who is being homeschooled shall prepare an educational plan of instruction for the child in the subject areas of English, including reading, composition and writing, mathematics, science and social studies, including history, geography, economics and government, as appropriate for the age and level of skill of the child as determined by the parent. The educational plan must be included in the notice of intent to homeschool filed pursuant to this section. If the educational plan contains the requirements of this section, the educational plan must not be used in any manner as a basis for denial of a notice of intent to homeschool that is otherwise complete. The parent must be prepared to present the educational plan of instruction and proof of the identity of the child to a court of law if required by the court. This subsection does not require a parent to ensure that each subject area is taught each year that the child is homeschooled.

13. No regulation or policy of the State Board, any school district or any other governmental entity may infringe upon the right of a parent to educate his or her child based on religious preference unless it is:

- (a) Essential to further a compelling governmental interest; and
- (b) The least restrictive means of furthering that compelling governmental interest.

14. As used in this section, "parent" means the parent, custodial parent, legal guardian or other person in this State who has control or charge of a child and the legal right to direct the education of the child.

Sec. 40. NRS 392A.100 is hereby amended to read as follows:

392A.100 1. A university school for profoundly gifted pupils shall determine the eligibility of a pupil for admission to the school based upon a comprehensive assessment of the pupil's potential for academic and intellectual achievement at the school, including, without limitation, intellectual and academic ability, motivation, emotional maturity and readiness for the environment of an accelerated educational program. The assessment must be conducted by a broad-based committee of professionals in the field of education.

2. A person who wishes to apply for admission to a university school for profoundly gifted pupils must:

- (a) Submit to the governing body of the school:
 - (1) A completed application;
 - (2) Evidence that the applicant possesses advanced intellectual and academic ability, including, without limitation, proof that he or she satisfies the requirements of NRS 392A.030;
 - (3) At least three letters of recommendation from teachers or mentors familiar with the academic and intellectual ability of the applicant;
 - (4) A transcript from each school previously attended by the applicant;
- and

(5) Such other information as may be requested by the university school or governing body of the school.

(b) If requested by the governing body of the school, participate in an on-campus interview.

3. The curriculum developed for pupils in a university school for profoundly gifted pupils must provide exposure to the subject areas required of pupils enrolled in other public schools.

4. The Superintendent of Public Instruction shall, upon recommendation of the governing body, issue a high school diploma to a pupil who is enrolled in a university school for profoundly gifted pupils if that pupil ~~successfully passes the high school proficiency examination~~ *satisfies the criteria prescribed by the State Board pursuant to NRS 389.805 and the courses in American government and American history as required by NRS 389.020 and 389.030, and successfully completes any requirements established by the State Board of Education for graduation from high school.*

5. On or before March 1 of each odd-numbered year, the governing body of a university school for profoundly gifted pupils shall prepare and submit to the Superintendent of Public Instruction, the president of the university where the university school for profoundly gifted pupils is located, the State Board and the Director of the Legislative Counsel Bureau a report that contains information regarding the school, including, without limitation, the process used by the school to identify and recruit profoundly gifted pupils from diverse backgrounds and with diverse talents, and data assessing the success of the school in meeting the educational needs of its pupils.

Sec. 41. NRS 392A.110 is hereby amended to read as follows:

392A.110 1. At least 70 percent of the teachers employed by a university school for profoundly gifted pupils must be licensed teachers.

2. A university school for profoundly gifted pupils shall administer to its pupils the achievement and proficiency examinations required by NRS ~~389.015 and~~ 389.550.

Sec. 41.1. NRS 209.396 is hereby amended to read as follows:

209.396 1. Except as otherwise provided in this section, an offender who is illiterate may not be assigned to an industrial or a vocational program unless:

(a) The offender is regularly attending and making satisfactory progress in a program for general education; or

(b) The Director for good cause determines that the limitation on assignment should be waived under the circumstances with respect to a particular offender.

2. An offender whose:

(a) Native language is not English;

(b) Ability to read and write in his or her native language is at or above the level of literacy designated by the Board in its regulations; and

(c) Ability to read and write the English language is below the level of literacy designated by the Board in its regulations,

↪ may not be assigned to an industrial or a vocational program unless the offender is regularly attending and making satisfactory progress in a course which teaches English as a second language or the Director for good cause determines that the limitation on assignment should be waived under the circumstances with respect to a particular offender.

3. Upon written documentation that an illiterate offender has a developmental, learning or other similar disability which affects his or her ability to learn, the Director may:

(a) Adapt or create an educational program or guidelines for evaluating the educational progress of the offender to meet his or her particular needs; or

(b) Exempt the offender from the required participation in an educational program prescribed by this section.

4. The provisions of this section do not apply to an offender who presents satisfactory evidence that the offender has a ~~[high]~~ :

(a) *High* school diploma ; or ~~[a general]~~

(b) *General* educational development certificate ~~[]~~ or an equivalent document.

5. As used in this section, "illiterate" means having an ability to read and write that is below the level of literacy designated by the Board in its regulations.

Sec. 41.2. NRS 209.433 is hereby amended to read as follows:

209.433 1. Every offender who was sentenced to prison on or before June 30, 1969, who has no serious infraction of the regulations of the Department, the terms and conditions of his or her residential confinement, or the laws of the State recorded against the offender, and who performs in a faithful, orderly and peaceable manner the duties assigned to the offender, must be allowed for his or her term a deduction of 2 months in each of the first 2 years, 4 months in each of the next 2 years, and 5 months in each of the remaining years of the term, and pro rata for any part of a year where the sentence is for more or less than a year.

2. In addition to the credits for good behavior provided for in subsection 1, the Board shall adopt regulations allowing credits for offenders whose diligence in labor or study merits the credits and for offenders who donate their blood for charitable purposes. The regulations must provide that an offender is entitled to the following credits for educational achievement:

(a) For earning a general educational development certificate ~~[]~~ or an equivalent document, 30 days.

(b) For earning a high school diploma, 60 days.

(c) For earning an associate degree, 90 days.

3. Each offender is entitled to the deductions allowed by this section if the offender has satisfied the conditions of subsection 1 or 2 as determined by the Director.

Sec. 41.3. NRS 209.443 is hereby amended to read as follows:

209.443 1. Every offender who is sentenced to prison after June 30, 1969, for a crime committed before July 1, 1985, who has no serious infraction of the regulations of the Department, the terms and conditions of his or her residential confinement, or the laws of the State recorded against the offender, and who performs in a faithful, orderly and peaceable manner the duties assigned to the offender, must be allowed:

- (a) For the period the offender is actually incarcerated under sentence; and
- (b) For the period the offender is in residential confinement,

→ a deduction of 2 months for each of the first 2 years, 4 months for each of the next 2 years and 5 months for each of the remaining years of the term, and pro rata for any part of a year where the actual term served is for more or less than a year. Credit must be recorded on a monthly basis as earned for actual time served.

2. The credits earned by an offender must be deducted from the maximum term imposed by the sentence and, except as otherwise provided in subsection 5, must apply to eligibility for parole.

3. In addition to the credits for good behavior provided for in subsection 1, the Board shall adopt regulations allowing credits for offenders whose diligence in labor or study merits such credits and for offenders who donate their blood for charitable purposes. The regulations must provide that an offender is entitled to the following credits for educational achievement:

- (a) For earning a general educational development certificate [?] or an equivalent document, 30 days.
- (b) For earning a high school diploma, 60 days.
- (c) For earning an associate degree, 90 days.

4. Each offender is entitled to the deductions allowed by this section if the offender has satisfied the conditions of subsection 1 or 3 as determined by the Director.

5. Credits earned pursuant to this section do not apply to eligibility for parole if a statute specifies a minimum sentence which must be served before a person becomes eligible for parole.

Sec. 41.4. NRS 209.446 is hereby amended to read as follows:

209.446 1. Every offender who is sentenced to prison for a crime committed on or after July 1, 1985, but before July 17, 1997, who has no serious infraction of the regulations of the Department, the terms and conditions of his or her residential confinement or the laws of the State recorded against the offender, and who performs in a faithful, orderly and peaceable manner the duties assigned to the offender, must be allowed:

- (a) For the period the offender is actually incarcerated under sentence;
- (b) For the period the offender is in residential confinement; and

(c) For the period the offender is in the custody of the Division of Parole and Probation of the Department of Public Safety pursuant to NRS 209.4886 or 209.4888,

→ a deduction of 10 days from the offender's sentence for each month the offender serves.

2. In addition to the credit provided for in subsection 1, the Director may allow not more than 10 days of credit each month for an offender whose diligence in labor and study merits such credits. In addition to the credits allowed pursuant to this subsection, an offender is entitled to the following credits for educational achievement:

(a) For earning a general educational development certificate ~~or~~ *or an equivalent document*, 30 days.

(b) For earning a high school diploma, 60 days.

(c) For earning an associate degree, 90 days.

3. The Director may allow not more than 10 days of credit each month for an offender who participates in a diligent and responsible manner in a center for the purpose of making restitution, program for reentry of offenders and parolees into the community, conservation camp, program of work release or another program conducted outside of the prison. An offender who earns credit pursuant to this subsection is entitled to the entire 20 days of credit each month which is authorized in subsections 1 and 2.

4. The Director may allow not more than 90 days of credit each year for an offender who engages in exceptional meritorious service.

5. The Board shall adopt regulations governing the award, forfeiture and restoration of credits pursuant to this section.

6. Credits earned pursuant to this section:

(a) Must be deducted from the maximum term imposed by the sentence; and

(b) Apply to eligibility for parole unless the offender was sentenced pursuant to a statute which specifies a minimum sentence which must be served before a person becomes eligible for parole.

Sec. 41.5. NRS 209.4465 is hereby amended to read as follows:

209.4465 1. An offender who is sentenced to prison for a crime committed on or after July 17, 1997, who has no serious infraction of the regulations of the Department, the terms and conditions of his or her residential confinement or the laws of the State recorded against the offender, and who performs in a faithful, orderly and peaceable manner the duties assigned to the offender, must be allowed:

(a) For the period the offender is actually incarcerated pursuant to his or her sentence;

(b) For the period the offender is in residential confinement; and

(c) For the period the offender is in the custody of the Division of Parole and Probation of the Department of Public Safety pursuant to NRS 209.4886 or 209.4888,

➡ a deduction of 20 days from his or her sentence for each month the offender serves.

2. In addition to the credits allowed pursuant to subsection 1, the Director may allow not more than 10 days of credit each month for an offender whose diligence in labor and study merits such credits. In addition

to the credits allowed pursuant to this subsection, an offender is entitled to the following credits for educational achievement:

(a) For earning a general educational development certificate ~~[]~~ *or an equivalent document*, 60 days.

(b) For earning a high school diploma, 90 days.

(c) For earning his or her first associate degree, 120 days.

3. The Director may, in his or her discretion, authorize an offender to receive a maximum of 90 days of credit for each additional degree of higher education earned by the offender.

4. The Director may allow not more than 10 days of credit each month for an offender who participates in a diligent and responsible manner in a center for the purpose of making restitution, program for reentry of offenders and parolees into the community, conservation camp, program of work release or another program conducted outside of the prison. An offender who earns credit pursuant to this subsection is eligible to earn the entire 30 days of credit each month that is allowed pursuant to subsections 1 and 2.

5. The Director may allow not more than 90 days of credit each year for an offender who engages in exceptional meritorious service.

6. The Board shall adopt regulations governing the award, forfeiture and restoration of credits pursuant to this section.

7. Except as otherwise provided in subsection 8, credits earned pursuant to this section:

(a) Must be deducted from the maximum term imposed by the sentence; and

(b) Apply to eligibility for parole unless the offender was sentenced pursuant to a statute which specifies a minimum sentence that must be served before a person becomes eligible for parole.

8. Credits earned pursuant to this section by an offender who has not been convicted of:

(a) Any crime that is punishable as a felony involving the use or threatened use of force or violence against the victim;

(b) A sexual offense that is punishable as a felony;

(c) A violation of NRS 484C.110, 484C.120, 484C.130 or 484C.430 that is punishable as a felony; or

(d) A category A or B felony,

↪ apply to eligibility for parole and must be deducted from the minimum term imposed by the sentence until the offender becomes eligible for parole and must be deducted from the maximum term imposed by the sentence.

Sec. 41.6. NRS 211.330 is hereby amended to read as follows:

211.330 1. In addition to the credits on a term of imprisonment provided for in NRS 211.310, 211.320 and 211.340, the sheriff of the county or the chief of police of the municipality in which a prisoner is incarcerated shall deduct 5 days from the prisoner's term of imprisonment for earning a general educational development certificate ~~[]~~ or ~~[the equivalent thereof.]~~ *an equivalent document* by successfully completing an educational program for

adults conducted jointly by the local detention facility in which the prisoner is incarcerated and the school district in which the facility is located.

2. The provisions of this section apply to any prisoner who is sentenced on or after October 1, 1991, to a term of imprisonment of 90 days or more.

Sec. 41.7. NRS 213.315 is hereby amended to read as follows:

213.315 1. Except as otherwise provided in this section, an offender who is illiterate is not eligible to participate in a program unless:

(a) The offender is regularly attending and making satisfactory progress in a program for general education; or

(b) The Director, for good cause, determines that the limitation on eligibility should be waived under the circumstances with respect to a particular offender.

2. An offender whose:

(a) Native language is not English;

(b) Ability to read and write in his or her native language is at or above the level of literacy designated by the Board of State Prison Commissioners in its regulations; and

(c) Ability to read and write the English language is below the level of literacy designated by the Board of State Prison Commissioners in its regulations,

➡ may not be assigned to an industrial or a vocational program unless the offender is regularly attending and making satisfactory progress in a course which teaches English as a second language or the Director, for good cause, determines that the limitation on eligibility should be waived under the circumstances with respect to a particular offender.

3. Upon written documentation that an illiterate offender has a developmental, learning or other similar disability which affects his or her ability to learn, the Director may:

(a) Adapt or create an educational program or guidelines for evaluating the educational progress of the offender to meet his or her particular needs; or

(b) Exempt the offender from the required participation in an educational program prescribed by this section.

4. The provisions of this section do not apply to an offender who:

(a) Presents satisfactory evidence that the offender has ~~{a}~~ :

(1) A high school diploma ; or ~~{a}~~

(2) A general educational development certificate ~~{c}~~ or *an equivalent document; or*

(b) Is admitted into a program for the purpose of obtaining additional education in this state.

5. As used in this section, "illiterate" means having an ability to read and write that is below the level of literacy designated by the Board of State Prison Commissioners in its regulations.

Sec. 42. NRS 218E.615 is hereby amended to read as follows:

218E.615 1. The Committee may:

(a) Evaluate, review and comment upon issues related to education within this State, including, but not limited to:

- (1) Programs to enhance accountability in education;
- (2) Legislative measures regarding education;
- (3) The progress made by this State, the school districts and the public schools in this State in satisfying the goals and objectives of the federal No Child Left Behind Act of 2001, 20 U.S.C. §§ 6301 et seq., and the annual measurable objectives established by the State Board of Education pursuant to NRS 385.361;
- (4) Methods of financing public education;
- (5) The condition of public education in the elementary and secondary schools;
- (6) The program to reduce the ratio of pupils per class per licensed teacher prescribed in NRS 388.700, 388.710 and 388.720;
- (7) The development of any programs to automate the receipt, storage and retrieval of the educational records of pupils; and
- (8) Any other matters that, in the determination of the Committee, affect the education of pupils within this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section.

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

(d) Make recommendations to the Legislature concerning the manner in which public education may be improved.

2. The Committee shall:

(a) In addition to any standards prescribed by the Department of Education, prescribe standards for the review and evaluation of the reports of the State Board of Education, State Public Charter School Authority, school districts and public schools pursuant to paragraph (a) of subsection 1 of NRS 385.359.

(b) For the purposes set forth in NRS 385.389, recommend to the Department of Education programs of remedial study for each subject tested on the examinations administered pursuant to NRS ~~389.015~~ 389.550 or 389.805. In recommending these programs of remedial study, the Committee shall consider programs of remedial study that have proven to be successful in improving the academic achievement of pupils.

(c) Recommend to the Department of Education providers of supplemental educational services for inclusion on the list of approved providers prepared by the Department pursuant to NRS 385.384. In recommending providers, the Committee shall consider providers with a demonstrated record of effectiveness in improving the academic achievement of pupils.

(d) For the purposes set forth in NRS 385.3785, recommend to the Commission on Educational Excellence created by NRS 385.3784 programs,

practices and strategies that have proven effective in improving the academic achievement and proficiency of pupils.

Sec. 42.2. NRS 432B.595 is hereby amended to read as follows:

432B.595 1. If the court retains jurisdiction over a child pursuant to NRS 432B.594, the agency which provides child welfare services shall develop a written plan to assist the child in transitioning to independent living. Such a plan must include, without limitation, the following goals:

(a) That the child save enough money to pay for his or her monthly expenses for at least 3 months;

(b) If the child has not graduated from high school or obtained a general equivalency diploma ~~or an equivalent document~~, that the child remain enrolled in high school or a program to obtain a general equivalency diploma ~~or an equivalent document~~ until graduation or completion of the program;

(c) If the child has graduated from high school or obtained a general equivalency diploma ~~or an equivalent document~~, that the child:

(1) Enroll in a program of postsecondary or vocational education;

(2) Enroll or participate in a program or activity designed to promote or remove obstacles to employment; or

(3) Obtain or actively seek employment which is at least 80 hours per month;

(d) That the child secure housing;

(e) That the child have adequate income to meet his or her monthly expenses;

(f) That the child identify an adult who will be available to provide support to the child;

(g) If applicable, that the child have established appropriate supportive services to address any mental health or developmental needs of the child; and

(h) If a child is not capable of achieving one or more of the goals set forth in paragraphs (a) to (g), inclusive, that the child have goals which are appropriate for the child based upon the needs of the child.

2. During the period in which the court retains jurisdiction over the child, the agency which provides child welfare services shall:

(a) Monitor the plan developed pursuant to subsection 1 and adjust the plan as necessary;

(b) Contact the child by telephone at least once each month and in person at least quarterly;

(c) Ensure that the child meets with a person who will provide guidance to the child and make the child aware of the services which will be available to the child; and

(d) Conduct a meeting with the child at least 30 days, but not more than 45 days, before the jurisdiction of the court is terminated to determine whether the child requires any additional guidance.

Sec. 42.4. NRS 630.277 is hereby amended to read as follows:

630.277 1. Every person who wishes to practice respiratory care in this State must:

(a) Have ~~{a}~~ :

(1) A high school diploma ; or

(2) A general equivalency diploma ~~{-}~~ or an equivalent document;

(b) Complete an educational program for respiratory care which has been approved by the Commission on Accreditation of Allied Health Education Programs or its successor organization or the Committee on Accreditation for Respiratory Care or its successor organization;

(c) Pass the examination as an entry-level or advanced practitioner of respiratory care administered by the National Board for Respiratory Care or its successor organization;

(d) Be certified by the National Board for Respiratory Care or its successor organization; and

(e) Be licensed to practice respiratory care by the Board and have paid the required fee for licensure.

2. Except as otherwise provided in subsection 3, a person shall not:

(a) Practice respiratory care; or

(b) Hold himself or herself out as qualified to practice respiratory care,

→ in this State without complying with the provisions of subsection 1.

3. Any person who has completed the educational requirements set forth in paragraphs (a) and (b) of subsection 1 may practice respiratory care pursuant to a program of practical training as an intern in respiratory care for not more than 12 months after completing those educational requirements.

Sec. 42.5. NRS 641C.420 is hereby amended to read as follows:

641C.420 1. The Board shall issue a certificate as an alcohol and drug abuse counselor intern to a person who:

(a) Is not less than 21 years of age;

(b) Is a citizen of the United States or is lawfully entitled to remain and work in the United States;

(c) Has ~~{a}~~ :

(1) A high school diploma ; or ~~{a}~~

(2) A general equivalency diploma ~~{-}~~ or an equivalent document;

(d) Pays the fees required pursuant to NRS 641C.470;

(e) Submits proof to the Board that the person:

(1) Is enrolled in a program from which he or she will receive an associate's degree, bachelor's degree, master's degree or doctoral degree in a field of social science approved by the Board; or

(2) Has received an associate's degree, bachelor's degree, master's degree or doctoral degree in a field of social science approved by the Board; and

(f) Submits all information required to complete an application for a certificate.

2. A certificate as an alcohol and drug abuse counselor intern is valid for 1 year and may be renewed. The Board may waive any requirement for the

renewal of a certificate upon good cause shown by the holder of the certificate.

3. A certified alcohol and drug abuse counselor intern may, under the supervision of a licensed alcohol and drug abuse counselor or licensed clinical alcohol and drug abuse counselor:

- (a) Engage in the practice of counseling alcohol and drug abusers; and
- (b) Diagnose or classify a person as an alcoholic or drug abuser.

Sec. 42.6. NRS 652.127 is hereby amended to read as follows:

652.127 To qualify for certification as an assistant in a medical laboratory, a person must be a high school graduate or have a general equivalency diploma *or an equivalent document* and:

1. Must complete at least 6 months of training approved by the Board and demonstrate an ability to perform laboratory procedures in the medical laboratory where he or she receives the training; or

2. Must:

(a) Complete a course of instruction that qualifies him or her to take an examination for certification in phlebotomy that is administered by:

- (1) The American Medical Technologists;
- (2) The American Society of Clinical Pathologists; or
- (3) The National Certification Agency; and

(b) Pass an examination specified in paragraph (a).

Sec. 42.7. NRS 697.173 is hereby amended to read as follows:

697.173 1. Except as otherwise provided in subsection 2, a person is entitled to receive, renew or hold a license as a bail enforcement agent if the person:

(a) Is a natural person not less than 21 years of age.

(b) Is a citizen of the United States or is lawfully entitled to remain and work in the United States.

(c) Has ~~the~~:

- (1) A high school diploma ~~for a~~;
- (2) A general equivalency diploma *or an equivalent document*; or ~~has~~

~~and~~

(3) An equivalent education as determined by the Commissioner.

(d) Has complied with the requirements of subsection 4 of NRS 697.180.

(e) Has submitted to the Commissioner the results of an examination conducted by a psychiatrist or psychologist licensed to practice in this state which indicate that the person does not suffer from a psychological condition that would adversely affect the ability of the person to carry out his or her duties as a bail enforcement agent.

(f) Has passed any written examination required by this chapter.

(g) Submits to the Commissioner the results of a test to detect the presence of a controlled substance in the system of the person that was administered no earlier than 30 days before the date of the application for the license which do not indicate the presence of any controlled substance for which the

person does not possess a current and lawful prescription issued in the name of the person.

(h) Successfully completes the training required by NRS 697.177.

2. A person is not entitled to receive, renew or hold a license of a bail enforcement agent if the person:

(a) Has been convicted of a felony in this state or of any offense committed in another state which would be a felony if committed in this state; or

(b) Has been convicted of an offense involving moral turpitude or the unlawful use, sale or possession of a controlled substance.

Sec. 43. NRS 389.015, 389.016, 389.017, 389.0175 and 389.045 are hereby repealed.

Sec. 43.5. 1. There is hereby appropriated from the State General Fund to the Department of Education the sum of \$1,500,000 for the costs associated with implementing the end-of-course examinations required by NRS 389.805, as amended by section 33 of this act.

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. 44. 1. The Legislature hereby recognizes that to receive federal money under the Elementary and Secondary Education Act of 1965, 20 U.S.C. §§ 6301 et seq., pupils enrolled in public high schools in this State must be administered an assessment at least one time while in high school based upon the State's academic and content standards. To continue to receive federal money under the Act, the State Board of Education may, for the purposes set forth in subsection 2, continue to provide for the administration of the high school proficiency examination.

2. On or before August 1, 2013, the State Board of Education shall:

(a) Prescribe the requirements, in addition to any requirements prescribed by statute, that a pupil enrolled in grade 12 in the 2013-2014 school year, the 2014-2015 school year or the 2015-2016 school year must satisfy to receive a standard high school diploma, which may include, without limitation, passage of the high school proficiency examination pursuant to section 44.3 of this act;

(b) Provide timely notice to the board of trustees of each school district and the governing body of each charter high school of the requirements prescribed pursuant to paragraph (a); and

(c) Post notice of the requirements on the Internet website maintained by the Department of Education.

3. On or before September 1, 2013, the board of trustees of each school district and the governing body of each charter school shall:

(a) Provide timely notice to each pupil and the parent or legal guardian of each pupil enrolled in grade 10, 11 or 12 in the 2013-2014 school year of the requirements the pupil must satisfy to receive a standard high school diploma.

(b) Post notice of the requirements on the Internet website maintained by the board of trustees or the governing body of the charter school, as applicable.

4. If a pupil to whom the provisions of this section apply is retained in grade 10, 11 or 12, the requirements for receipt of a standard high school diploma prescribed by the State Board of Education pursuant to subsection 2 continue to apply to that pupil until he or she exits high school.

Sec. 44.3. If the State Board of Education prescribes passage of the high school proficiency examination pursuant to paragraph (a) of subsection 2 of section 44 of this act as a requirement that a pupil must satisfy to receive a standard high school diploma:

1. The board of trustees of each school district shall administer the high school proficiency examination to pupils who have not passed the examination and are required to pass the examination to receive a standard high school diploma. The governing body of a charter school that enrolls pupils at the high school grade levels shall administer the same examination to pupils who have not passed the examination and are required to pass the examination to receive a standard high school diploma. The high school proficiency examination administered by the board of trustees and governing body must determine the achievement and proficiency of those pupils in:

- (a) Reading;
- (b) Mathematics;
- (c) Science; and
- (d) Writing.

2. The high school proficiency examination required by subsection 1 must be:

(a) Administered in each school district and each charter school that enrolls pupils at the high school grade levels who have not passed the high school proficiency examination and are required to pass the examination to receive a standard high school diploma at the same time, as prescribed by the State Board, and in accordance with uniform procedures adopted by the State Board. The Department of Education shall monitor the compliance of school districts and individual schools with the uniform procedures.

(b) Administered in accordance with the plan adopted pursuant to NRS 389.616 by the Department and the plan adopted pursuant to NRS 389.620 by the board of trustees of the school district in which the high school proficiency examination is administered. The Department shall monitor the compliance of school districts and individual schools with:

- (1) The plan adopted by the Department; and

(2) The plan adopted by the board of trustees of the applicable school district, to the extent that the plan adopted by the board of trustees of the school district is consistent with the plan adopted by the Department.

(c) Scored by a single private entity that has contracted with the State Board to score the examinations. The private entity that scores the high school proficiency examination shall report the results of the examinations in the form and by the date required by the Department.

3. Not more than 14 working days after the results of the examinations are reported to the Department of Education by a private entity that scored the examinations, the Superintendent of Public Instruction shall certify that the results of the examinations have been transmitted to each school district and each applicable charter school. Not more than 10 working days after a school district receives the results of the examinations, the superintendent of schools of each school district shall certify that the results of the examinations have been transmitted to each school within the school district at which the high school proficiency examination was administered pursuant to this section. Except as otherwise provided in this subsection, not more than 15 working days after each such school receives the results of the examinations, the principal of each such school and the governing body of each such charter school shall certify that the results for each pupil that took the examination have been provided to the parent or legal guardian of the pupil:

(a) During a conference between the teacher of the pupil or the administrator of the school and the parent or legal guardian of the pupil; or

(b) By mailing the results of the high school proficiency examination to the last known address of the parent or legal guardian of the pupil.

➡ If a pupil fails the high school proficiency examination, the school shall notify the pupil and the parents or legal guardian of the pupil of each subject area that the pupil failed as soon as practicable but not later than 15 working days after the school receives the results of the examination.

4. A pupil who transfers during grade 12 to a school in this State from a school outside of this State because of the military transfer of the parent or legal guardian of the pupil may receive a waiver from the requirements of subsection 4 if, in accordance with the provisions of NRS 392C.010, the school district in which the pupil is enrolled:

(a) Accepts the results of the exit or end-of-course examinations required for graduation in the local education agency in which the pupil was previously enrolled;

(b) Accepts the results of a national norm-referenced achievement examination taken by the pupil; or

(c) Establishes an alternative test for the pupil which demonstrates proficiency in the subject areas tested on the high school proficiency examination, and the pupil successfully passes that test.

5. For the purposes of this section, the State Board shall prescribe the high school proficiency examination, which must include the subjects of

reading, mathematics and science and, except for the writing portion, must be developed, printed and scored by a nationally recognized testing company in accordance with the process established by the testing company. The State Board, in consultation with the Council to Establish Academic Standards for Public Schools created by NRS 389.510, shall prescribe the writing portion of the high school proficiency examination. The questions contained in the high school proficiency examination and the approved answers used for grading them are confidential, and disclosure is unlawful except:

(a) To the extent necessary for administering and evaluating the high school proficiency examination.

(b) That a disclosure may be made to a:

(1) State officer who is a member of the Executive or Legislative Branch of State Government, to the extent that it is necessary for the performance of his or her duties;

(2) Superintendent of schools of a school district, to the extent that it is necessary for the performance of his or her duties;

(3) Director of curriculum of a school district, to the extent that it is necessary for the performance of his or her duties; and

(4) Director of testing of a school district, to the extent that it is necessary for the performance of his or her duties.

(c) That specific questions and answers may be disclosed if the Superintendent of Public Instruction determines that the content of the questions and answers is not being used in a current examination and making the content available to the public poses no threat to the security of the current examination process.

(d) As required pursuant to NRS 239.0115.

6. The administrative regulations adopted by the State Board of Education for purposes of carrying out NRS 389.015 as of June 30, 2013, continue in effect if the high school proficiency examination is administered pursuant to this section.

Sec. 44.7. If the State Board of Education prescribes passage of the high school proficiency examination pursuant to paragraph (a) of subsection 2 of section 44 of this act as a requirement that a pupil must satisfy to receive a standard high school diploma:

1. The results of the high school proficiency examination administered pursuant to section 44.3 of this act must be reported for the applicable school year for each school, including, without limitation, each charter school that enrolls pupils at the high school grade levels who have not passed the high school proficiency examination and are required to pass the examination to receive a standard high school diploma, each school district and this State, as follows:

(a) The average score, as defined by the Department, of such pupils who took the high school proficiency examination under regular testing conditions; and

(b) The average score, as defined by the Department of Education, of such pupils who took the high school proficiency examination with modifications or accommodations, if such reporting does not violate the confidentiality of the test scores of any individual pupil.

2. The superintendent of schools of each school district and the governing body of each charter school that enrolls pupils at the high school grade levels who have not passed the high school proficiency examination and are required to pass the examination to receive a standard high school diploma, through the sponsor of the charter school, shall certify that the number of pupils who have not passed the high school proficiency examination and are required to pass the examination to receive a standard high school diploma and who took the high school proficiency examination in the applicable school year is equal to the number of such pupils in each school in the school district or in the charter school who are required to take the high school proficiency examination in that school year.

3. In addition to the information required by subsection 2, the Superintendent of Public Instruction shall, for each applicable school year:

(a) Report the number of pupils who have not passed the high school proficiency examination and are required to pass the examination to receive a standard high school diploma and who were absent from school on the day that the high school proficiency examination was administered; and

(b) Reconcile the number of pupils who have not passed the high school proficiency examination and are required to pass the examination to receive a standard high school diploma with the number of such pupils who were absent from school on the day that the examination was administered.

Sec. 45. 1. This section and sections ~~[44, 44.3, and]~~ 43.5 to 44.7 , inclusive, of this act become effective upon passage and approval.

2. Sections 1 to 43, inclusive, of this act become effective on July 1, 2013.

LEADLINES OF REPEALED SECTIONS

389.015 Administration and scoring; transmission of results; effect of failure to pass; certain exceptions for child transferred due to military transfer of parent; confidentiality of examinations.

389.016 Postponement of administration of examination in mathematics and science for pupil enrolled in grade 10; revision of pupil's academic plan; annual report by school district.

389.017 Reporting of results of examinations; reconciliation of number of pupils taking examinations.

389.0175 Establishment of statewide program for preparation of pupils to take examination; compliance with program required of school districts and certain schools; use of additional materials and information.

389.045 Course of study designed to assist pupils with passing high school proficiency examination; board of trustees authorized to offer course as elective.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

Thank you, Mr. President. Amendment No. 949 to Assembly Bill No. 288 adds a \$1.5 million appropriation.

Amendment adopted.

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

Assembly Bill No. 412.

Bill read third time.

Remarks by Senators Manendo, Hardy and Hutchison.

SENATOR MANENDO:

Thank you, Mr. President. Assembly Bill No. 412 modifies the pre-session training for new Legislators to address upcoming policy issues, requires written notification of the training to candidates and allows for alternate means of recording and completing training sessions. With respect to bill draft requests, the measure reduces the number that may be requested by Legislators and moves the first deadline for submitting bill draft requests from September 1 to August 1 of an even-numbered year. Deadlines for submittal of details for drafting are also moved to be consistent with these changes in the request deadlines and, in the case of interim committees and studies, the detail deadline is moved to November 1 prior to a Session year.

The formula for distributing bill draft requests to standing committee chairs is modified to reduce the number of bill draft requests, and the allocation of bill draft requests to the Legislative Commission is reduced from 15 to 10. The bill draft requests allocated to the Governor and the Executive Branch have increased from 100 to 110. The requests must be submitted by August 1 preceding the regular Session. The number of bill draft requests allocated to other Constitutional Officers are also increased. A new category is created for cities with a population between 150,000 and 500,000, and these cities are allocated two bill draft requests.

SENATOR HARDY:

Thank you, Mr. President. I rise in opposition to Assembly Bill No. 412. The bill decreases representation of the individuals in a district who elect Legislators to come to Carson City and represent their needs, opportunities and circumstances. As we saw with the air-ambulance lady from Romania who was my guest the other day, she had the opportunity to influence this Legislature and bring to pass good legislation. I am not in favor of decreasing representation.

SENATOR HUTCHISON:

Thank you, Mr. President. I rise in support of Assembly Bill No. 412. The bill is a good start. Somebody told me that this would reduce by approximately 220 the total number of bill draft requests for a Legislative Session. We should increase that number in the future. This is my first Legislative Session, but in my view, there are far too many bill draft requests allocated to Legislators. There are also far too many bill draft requests allocated to the standing committees. There are far too many allocated to those agencies outside of this building. We would be much more focused and much more efficient, as a governmental body, if we would limit the number of bill draft requests direct attention to those matters that are important and meaningful to our constituents. I am in full support of this bill.

Roll call on Assembly Bill No. 412:

YEAS—18.

NAYS—Gustavson, Hardy—2.

EXCUSED—Woodhouse.

Assembly Bill No. 412 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 44.

The following Assembly Amendment was read:

Amendment No. 915.

"SUMMARY—Revises provisions relating to allocations from the Disaster Relief Account. (BDR 31-341)"

"AN ACT relating to public financial administration; enlarging the purposes for which a grant ~~for loan~~ may be made to a local government from the Disaster Relief Account; revising the process for requesting a grant or loan from the Account and for reviewing such a request; enlarging the purposes for which a local government may use money in a fund to mitigate the effects of a natural disaster; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law establishes a process by which a state agency or a local government may apply to the State Board of Examiners and the Interim Finance Committee for a grant or loan from the Disaster Relief Account, and also specifies the purposes for which that money may be used. (NRS 353.2705-353.2771) Money granted or loaned to a local government from the Account may be used, among other purposes, to pay a portion of any "grant match" the local government must provide to obtain a grant from a federal disaster assistance agency. (NRS 353.2715, 353.2725, 353.2745, 353.2751) Sections 1, 2, 5 and 6 of this bill remove the limitation that the federal agency making such a grant must be a disaster assistance agency, with the result that money granted or loaned from the Account may be used to match a grant from any federal agency. Section 10 of this bill makes a similar change with respect to the use of money from a fund established by a local government to mitigate the effects of a natural disaster. (NRS 354.6115)

~~[Sections 4 and] Section 5 of this bill otherwise ~~enlarge~~ enlarges the purposes for which money granted from the Account to a local government may be used, to authorize use of the money for ~~a project to prevent or reduce the likelihood of damage or injury resulting from a similar disaster in the future~~ the removal of debris.~~

The remaining provisions of this bill revise the process for submitting and reviewing a request for a grant or loan from the Account. Section 9 of this bill requires a state agency or a local government to give notice of its intention to request a grant or loan to the Division of Emergency Management of the Department of Public Safety, which forwards that notice to the State Board of Examiners and the Fiscal Analysis Division of the Legislative Counsel Bureau. Section 9 enlarges the time within which the request must thereafter be submitted, and requires that it be submitted initially to the Division of Emergency Management and the Department of Taxation for review and comment. The request and the reports of each

agency are transmitted to the State Board of Examiners and the Fiscal Analysis Division. The State Board of Examiners then considers the request and the reports and makes a recommendation to the Interim Finance Committee as provided under existing law. (NRS 353.2755, 353.276)

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

Section 1. NRS 353.2715 is hereby amended to read as follows:

353.2715 "Eligible project" means a project that:

1. Is related to a disaster; and
2. Is proposed, coordinated or conducted by a public or nonprofit private entity that has been designated and approved as qualifying and eligible to receive federal grant money for the disaster from a federal ~~{disaster assistance}~~ agency.

Sec. 2. NRS 353.2725 is hereby amended to read as follows:

353.2725 "Grant match" means the share of a grant provided by a federal ~~{disaster assistance}~~ agency that must be matched by a state or local government.

Sec. 3. NRS 353.2735 is hereby amended to read as follows:

353.2735 1. The Disaster Relief Account is hereby created in the State General Fund. The Interim Finance Committee shall administer the Disaster Relief Account.

2. The Division may accept grants, gifts or donations for deposit in the Disaster Relief Account. Except as otherwise provided in subsection 3, money received from:

- (a) A direct legislative appropriation to the Disaster Relief Account;
 - (b) A transfer from the State General Fund in an amount equal to not more than 10 percent of the aggregate balance in the Account to Stabilize the Operation of the State Government made pursuant to NRS 353.288; and
 - (c) A grant, gift or donation to the Disaster Relief Account,
- ➡ must be deposited in the Disaster Relief Account. Except as otherwise provided in NRS 414.135, the interest and income earned on the money in the Disaster Relief Account must, after deducting any applicable charges, be credited to the Disaster Relief Account.

3. If, at the end of each quarter of a fiscal year, the balance in the Disaster Relief Account exceeds 0.75 percent of the total amount of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of State Government and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year, the State Controller shall not, until the balance in the Disaster Relief Account is 0.75 percent or less of that amount, transfer any money in the Account to Stabilize the Operation of the State Government from the State General Fund to the Disaster Relief Account pursuant to the provisions of NRS 353.288.

4. Money in the Disaster Relief Account may be used for any purpose authorized by the Legislature or distributed through grants and loans to state

agencies and local governments as provided in NRS 353.2705 to 353.2771, inclusive. Except as otherwise provided in NRS 353.276, such grants will be disbursed on the basis of reimbursement of costs authorized pursuant to NRS 353.274 and 353.2745.

5. If ~~[the Governor declares a disaster,]~~ the State Board of Examiners receives a notice submitted to and forwarded by the Division pursuant to subsections 1 and 2 of NRS 353.2755, the State Board of Examiners shall estimate:

(a) The money in the Disaster Relief Account that is available for grants and loans for the disaster *that is the subject of the notice* pursuant to the provisions of NRS 353.2705 to 353.2771, inclusive; and

(b) The anticipated amount of those grants and loans for the disaster.

↪ Except as otherwise provided in this subsection, if the anticipated amount determined pursuant to paragraph (b) exceeds the available money in the Disaster Relief Account for such grants and loans, all grants and loans from the Disaster Relief Account for the disaster must be reduced in the same proportion that the anticipated amount of the grants and loans exceeds the money in the Disaster Relief Account that is available for grants and loans for the disaster. If the reduction of a grant or loan from the Disaster Relief Account would result in a reduction in the amount of money that may be received by a state agency or local government from the Federal Government, the reduction in the grant or loan must not be made.

Sec. 4. ~~[NRS 353.274 is hereby amended to read as follows:~~

~~353.274 Money in the Account may be distributed as a grant to a state agency because of a disaster for the payment of expenses incurred by the state agency for:~~

~~1. The repair or replacement of public roads, public streets, bridges, water control facilities, public buildings, public utilities, recreational facilities and parks owned by the State and damaged by the disaster;~~

~~2. Any emergency measures undertaken to save lives, protect public health and safety or protect public property, including, without limitation, an emergency measure undertaken in response to a crisis involving violence on school property, at a school activity or on a school bus, in the jurisdiction in which the disaster occurred;~~

~~3. The removal of debris from publicly or privately owned land and waterways undertaken because of the disaster; [and]~~

~~4. The administration of a disaster assistance program [.] ; and~~

~~5. Any project to prevent or reduce the likelihood of damage to property or injury to persons resulting from a similar disaster in the future.] (Deleted by amendment.)~~

Sec. 5. NRS 353.2745 is hereby amended to read as follows:

353.2745 Money in the Account may be distributed as a grant to a local government because of a disaster for:

1. The payment of not more than 50 percent of the expenses incurred by the local government for:

(a) The repair or replacement of public roads, public streets, bridges, water control facilities, public buildings, public utilities, recreational facilities and parks owned by the local government and damaged by the disaster; ~~and~~

(b) Any emergency measures undertaken to save lives, protect public health and safety or protect public property, including, without limitation, an emergency measure undertaken in response to a crisis involving violence on school property, at a school activity or on a school bus, in the jurisdiction in which the disaster occurred; and

(c) *The removal of debris from publicly or privately owned land and waterways undertaken because of the disaster.* ~~f and~~

~~(d) Any project to prevent or reduce the likelihood of damage to property or injury to persons resulting from a similar disaster in the future; and~~

2. The payment of not more than 50 percent of any grant match the local government must provide to obtain a grant from a federal ~~[disaster assistance]~~ agency for an eligible project to repair damage caused by the disaster within the jurisdiction of the local government.

Sec. 6. NRS 353.2751 is hereby amended to read as follows:

353.2751 Money in the Account may be distributed as a loan to a local government because of a disaster for:

1. The payment of expenses incurred by the local government for:

(a) The repair or replacement of public roads, public streets, bridges, water control facilities, public buildings, public utilities, recreational facilities and parks owned by the local government and damaged by the disaster;

(b) Any overtime worked by an employee of the local government because of the disaster or any other extraordinary expenses incurred by the local government because of the disaster; and

(c) Any projects to reduce or prevent the possibility of damage to persons or property from similar disasters in the future; and

2. The payment of not more than 50 percent of any grant match the local government must provide to obtain a grant from a federal ~~[disaster assistance]~~ agency for an eligible project to repair damage caused by the disaster within the jurisdiction of the local government. Before a loan may be distributed to a local government pursuant to this subsection:

(a) The Interim Finance Committee must make a determination that the local government is currently unable to meet its financial obligations; and

(b) The local government must execute a loan agreement in which the local government agrees to:

(1) Use the money only for the purpose of paying the grant match; and

(2) Repay the entire amount of the loan, without any interest or other charges, to the Account not later than 10 years after the date on which the agreement is executed.

Sec. 7. NRS 353.2753 is hereby amended to read as follows:

353.2753 1. A state agency or local government may request the Division to ~~[conduct a preliminary]~~ *provide technical assistance to the state agency or local government by conducting an assessment of the damages related to an event for which the state agency or local government seeks a grant or loan from the Account.*

2. Upon receipt of such a request, the Division shall ~~[investigate]~~ :

(a) *Notify the State Board of Examiners of the request;*

(b) *Investigate the event or cause the event to be investigated to make ~~[a preliminary]~~ an assessment of the damages related to the event ; and ~~[shall make]~~*

(c) *Make or cause to be made a written report of the damages . ~~[related to the event.]~~*

3. As soon as practicable after completion of the investigation and preparation of the report of damages, the Division shall:

(a) Determine whether the event constitutes a disaster for which the state agency or local government may seek a grant or loan from the Account; and

(b) Submit the report prepared pursuant to this section and its written determination regarding whether the event constitutes a disaster to the state agency or local government.

4. The Division shall prescribe by regulation the information that must be included in a report of damages, including, without limitation, a description of the damage caused by the event, an estimate of the costs to repair such damage and a specification of whether the purpose of the project is for repair or replacement, emergency response or mitigation.

Sec. 8. NRS 353.2754 is hereby amended to read as follows:

353.2754 A local government may request a grant or loan from the Account if:

1. Pursuant to NRS 414.090, the governing body of the local government determines that an event which has occurred constitutes a disaster; and

2. After the Division conducts ~~[a preliminary]~~ *an assessment of the damages pursuant to NRS 353.2753, the Division determines that an event has occurred that constitutes a disaster.*

Sec. 9. NRS 353.2755 is hereby amended to read as follows:

353.2755 1. ~~[A]~~ *Not later than 60 days after the Governor, in the case of a notice by a state agency, or the governing body of a local government determines that an event constitutes a disaster, a state agency or local government may submit to the Division a ~~[request to the State Board of Examiners for]~~ written notice of the state agency's or local government's intention to request a grant or loan from the Account as provided in NRS 353.2705 to 353.2771, inclusive, if:*

(a) The agency or local government finds that, because of a disaster, it is unable to pay for an expense or grant match specified in NRS 353.274, 353.2745 or 353.2751 from money appropriated or otherwise available to the agency or local government;

(b) The request has been approved by the chief administrative officer of the state agency or the governing body of the local government; and

(c) If the requester is an incorporated city, the city has requested financial assistance from the county and was denied all or a portion of the requested assistance.

2. *Not later than 10 working days after it receives a notice from a state agency or local government pursuant to subsection 1, the Division shall forward a copy of the notice to the State Board of Examiners and the Fiscal Analysis Division of the Legislative Counsel Bureau.*

3. *A request by a state agency or local government for a grant or loan ~~[submitted pursuant to subsection 1 must be made within 60 days after the disaster and must]~~ from the Account:*

(a) *Must be submitted to the Division and the Department of Taxation not later than 18 months after the Governor, in the case of a request by a state agency, or the governing body of the local government determines that an event constitutes a disaster, unless the Chief of the Division grants an extension of time; and*

(b) *Must include:*

~~[(a)]~~ (1) *A statement specifying whether the request is for a grant or loan and setting forth the amount of money requested by the state agency or local government;*

~~[(b)]~~ (2) *An assessment of the need of the state agency or local government for the money requested;*

~~[(c)]~~ (3) *If the request is submitted by a local government that has established a fund pursuant to NRS 354.6115 to mitigate the effects of a natural disaster, a statement of the amount of money that is available in that fund, if any, for the payment of expenses incurred by the local government as a result of a disaster;*

~~[(d)]~~ (4) *A determination of the type, value and amount of resources the state agency or local government may be required to provide as a condition for the receipt of a grant or loan from the Account;*

~~[(e)]~~ (5) *A written report of damages prepared by the Division and the written determination made by the Division that the event constitutes a disaster pursuant to NRS 353.2753; and*

~~[(f)]~~ (6) *If the requester is an incorporated city, all documents which relate to a request for assistance submitted to the board of county commissioners of the county in which the city is located.*

➤ *Any additional documentation relating to the request that is requested by the ~~[State Board of Examiners]~~ Division or the Department of Taxation must be submitted to the Division or the Department, as the case may be, within ~~[6 months after the disaster]~~ 10 working days after the date of the Division's or the Department's request unless the ~~[State Board of Examiners and the Interim Finance Committee grant]~~ Chief of the Division or the Executive Director of the Department, as applicable, or his or her designee, grants an extension.*

~~[3. Upon the receipt of a complete request for a grant or loan submitted pursuant to subsection 1, the]~~

4. Not later than 60 days after the Division receives a request for a grant or loan and receives any additional information requested by the Division, the Division shall:

(a) Except as otherwise provided in this subsection, review the request to determine whether it contains the information necessary for the State Board of Examiners and the Interim Finance Committee to act upon the request and otherwise complies with the requirements of NRS 353.2705 to 353.2771, inclusive;

(b) Prepare a written report of the determination required by paragraph (a);

(c) Submit a copy of the request and its report to the State Board of Examiners and to the Fiscal Analysis Division of the Legislative Counsel Bureau; and

(d) Provide a copy of its report to the state agency or local government, as applicable, and the Department of Taxation.

➡ The Division shall coordinate its review of the request with the Department of Taxation to ensure, to the extent practicable, that the Division's review does not duplicate the review conducted by the Department pursuant to subsection 5.

5. Not later than 60 days after the Department of Taxation receives a request for a grant or loan and receives any additional information requested by the Department, the Department shall:

(a) Review any financial information submitted in support of the request which the Department believes to be relevant, including, without limitation:

(1) The report of damages prepared by the Division pursuant to NRS 353.2753;

(2) Information relating to the expenses for which the grant or loan is requested;

(3) If the requester is a local government and is requesting a loan, information relating to the current ability of the local government to meet its financial obligations; and

(4) If the requester is a local government and is requesting a grant or loan for the payment of any grant match described in NRS 353.2745 or 353.2751, information relating to the grant or grant match;

(b) Prepare a written report of its findings;

(c) Submit a copy of its report to the State Board of Examiners and to the Fiscal Analysis Division of the Legislative Counsel Bureau; and

(d) Provide a copy of the report to the state agency or local government, as applicable, and the Division.

6. Upon its receipt of a request for a grant or loan submitted pursuant to this section and the reports of the Division and the Department of Taxation relating to the request, the State Board of Examiners:

(a) Shall consider the request ~~[and]~~ and the reports; and

(b) May require any additional information that it determines is necessary to make a recommendation.

~~{4-}~~ 7. If the State Board of Examiners finds that a grant or loan is appropriate, it shall include in its recommendation to the Interim Finance Committee the proposed amount of the grant or loan. If the State Board of Examiners recommends a grant, it shall include a recommendation regarding whether or not the state agency or local government requires an advance to avoid severe financial hardship. If the State Board of Examiners recommends a loan for a local government, it shall include the information required pursuant to subsection 1 of NRS 353.2765. If the State Board of Examiners finds that a grant or loan is not appropriate, it shall include in its recommendation the reason for its determination.

~~{5-}~~ 8. The provisions of this section do not prohibit a state agency or local government from submitting more than one request for a grant or loan from the Account.

~~{6-}~~ 9. As used in this section, the term "natural disaster" has the meaning ascribed to it in NRS 354.6115.

Sec. 10. NRS 354.6115 is hereby amended to read as follows:

354.6115 1. The governing body of a local government may, by resolution, establish a fund to stabilize the operation of the local government and mitigate the effects of natural disasters.

2. The money in the fund must be used only:

(a) If the total actual revenue of the local government falls short of the total anticipated revenue in the general fund for the fiscal year in which the local government uses that money; or

(b) To pay expenses incurred by the local government to mitigate the effects of a natural disaster.

➡ The money in the fund at the end of the fiscal year may not revert to any other fund or be a surplus for any purpose other than a purpose specified in this subsection.

3. The money in the fund may not be used to pay expenses incurred to mitigate the effects of a natural disaster until the governing body of the local government issues a formal declaration that a natural disaster exists. The governing body shall not make such a declaration unless a natural disaster is occurring or has occurred. Upon the issuance of such a declaration, the money in the fund may be used for the payment of the following expenses incurred by the local government as a result of the natural disaster:

(a) The repair or replacement of roads, streets, bridges, water control facilities, public buildings, public utilities, recreational facilities and parks owned by the local government and damaged by the natural disaster;

(b) Any emergency measures undertaken to save lives, protect public health and safety or protect property within the jurisdiction of the local government;

(c) The removal of debris from publicly or privately owned land and waterways within the jurisdiction of the local government that was undertaken because of the natural disaster;

(d) Expenses incurred by the local government for any overtime worked by an employee of the local government because of the natural disaster or any other extraordinary expenses incurred by the local government because of the natural disaster; and

(e) The payment of any grant match the local government must provide to obtain a grant from a federal ~~[disaster assistance]~~ agency for an eligible project to repair damage caused by the natural disaster within the jurisdiction of the local government.

4. The balance in the fund must not exceed 10 percent of the expenditures from the general fund for the previous fiscal year, excluding any federal funds expended by the local government.

5. The annual budget and audit report of the local government prepared pursuant to NRS 354.624 must specifically identify the fund.

6. The audit report prepared for the fund must include a statement by the auditor whether the local government has complied with the provisions of this section.

7. Any transfer of money from a fund established pursuant to this section must be completed within 90 days after the end of the fiscal year in which the natural disaster for which the fund was established occurs.

8. As used in this section:

(a) "Grant match" has the meaning ascribed to it in NRS 353.2725.

(b) "Natural disaster" means a fire, flood, earthquake, drought or any other occurrence that:

(1) Results in widespread or severe damage to property or injury to or the death of persons within the jurisdiction of the local government; and

(2) As determined by the governing body of the local government, requires immediate action to protect the health, safety and welfare of persons residing within the jurisdiction of the local government.

Sec. 11. This act becomes effective on July 1, 2013.

Senator Smith moved that the Senate do not concur in the Assembly Amendment No. 915 to Senate Bill No. 44.

Motion carried.

Bill ordered transmitted to the Assembly.

RECEDE FROM SENATE AMENDMENTS

Senator Manendo moved that the Senate do not recede from its action on Assembly Bill No. 379, that a conference be requested, and that Mr. President appoint a Conference Committee consisting of three members to meet with a like committee of the Assembly.

Motion carried.

Bill ordered transmitted to the Assembly.

APPOINTMENT OF CONFERENCE COMMITTEES

President Krolicki appointed Senators Manendo, Spearman and Gustavson as a Conference Committee to meet with a like committee of the Assembly for the further consideration of Assembly Bill No. 379.

Senator Denis moved that the Senate recess subject to the call of the Chair.
Motion carried.

Senate in recess at 4:06 p.m.

SENATE IN SESSION

At 4:54 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were re-referred Senate Bills Nos. 174, 391, 400, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DEBBIE SMITH, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

By the Committee on Revenue and Economic Development:

Senate Concurrent Resolution No. 11—Creating the Select Committee on Nevada Commerce Tax.

Senator Kihuen moved that the resolution be referred to the Committee on Revenue and Economic Development.

Motion carried.

Senator Smith moved that all necessary rules be suspended, reading so far had considered second reading, rules further suspended, and that Senate Bills Nos. 293, 521; Assembly Bills Nos. 130, 423, 424, 472, 473, 488, 491, 502, be declared emergency measures under the Constitution and placed on third reading and final passage.

Motion carried.

Senator Smith moved that all necessary rules be suspended, and that Assembly Bill No. 338 be declared an emergency measure under the Constitution and placed on third reading and final passage upon return from reprint.

Motion carried.

Senator Smith moved that, for the remainder of the 77th Legislative Session, all necessary rules be suspended, and that all bills and joint resolutions amended on General File be immediately placed on third reading and final passage upon return from reprint, time permitting.

Motion carried.

Senator Smith moved that, for the remainder of the 77th Legislative Session, all necessary rules be suspended, and that all bills and joint resolutions reported out of Committee be declared emergency measures under the Constitution and placed on third reading and final passage.

Motion carried.

Senator Smith moved that, for the remainder of the 77th Legislative Session, all necessary rules be suspended, and that all bills and resolutions be immediately transmitted to the Assembly, time permitting.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 174.

Bill read third time.

The following amendment was proposed by the Committee on Finance.

Amendment No. 951.

"SUMMARY—Authorizes the Governor to require the naming of a state building, park, highway or other property after a deceased member of the Armed Forces of the United States under certain circumstances. (BDR 27-853)"

"AN ACT relating to public property; authorizing the Governor to require the naming of a state building, park, highway or other property after a deceased member of the Armed Forces of the United States under certain circumstances; requiring the Nevada Veterans Services Commission to recommend to the Governor the names of certain deceased members of the Armed Forces of the United States for such an honor; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

This bill provides for the naming of a state building, park, monument, bridge, road or other property after certain deceased members of the Armed Forces of the United States. Sections 10 and 11.5 of this bill require the members of the Nevada Veterans Services Commission to recommend to the Governor for the naming of certain state buildings or properties the names of deceased members of the Armed Forces of the United States who were residents of Nevada and were killed in action ~~in Operation Enduring Freedom or Operation Iraqi Freedom~~ during certain periods of war. Sections 1, 5 and 7 of this bill authorize the Governor to direct the Administrator of the State Public Works Division of the Department of Administration, the Administrator of the Division of State Parks of the State Department of Conservation and Natural Resources and the Director of the Department of Transportation, respectively, to name various state buildings and other properties after those deceased members of the Armed Forces of the United States whose names are recommended by the Commission. Section 11 of this bill creates the Nevada Will Always Remember Veterans Gift Account and authorizes the Executive Director for Veterans Services and the Deputy Executive Director for Veterans Services to accept donations,

gifts and grants of money to be deposited in the Account. Sections 1, 5 and 7 authorize the Administrator of the State Public Works Division, the Administrator of the Division of State Parks and the Director of the Department of Transportation, respectively, to use funds from the Account for the design, procurement and installation of markers, plaques, statues or signs bearing the names of the selected deceased members of the Armed Forces of the United States at or upon the buildings or other properties chosen to be named.

WHEREAS, Many sons and daughters of the State of Nevada, imbued with the love of their country and the courage born in the desert, hills, sage and pines of Nevada, have entered into the Armed Forces of the United States; and

WHEREAS, Some of those sons and daughters have made the ultimate sacrifice and given their lives as their last full measure of devotion in defense of our country in ~~in Afghanistan and Iraq~~ places around the world; and

WHEREAS, The State of Nevada and Nevadans can honor those brave sons and daughters and offer them the thanks of a grateful state by attaching their names to state-owned buildings, parks, monuments, bridges, roads and other properties; and

WHEREAS, Nevadans Will Always Remember Veterans; now, therefore,

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

Section 1. Chapter 331 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Governor may, upon receiving a recommendation from the Nevada Veterans Services Commission pursuant to section 10 of this act, direct the Administrator to name a building, ground or property over which the Administrator has supervision and control pursuant to NRS 331.070 after a deceased member of the Armed Forces of the United States.*

2. *The Administrator shall, as soon as sufficient money is available from the Nevada Will Always Remember Veterans Gift Account created by section 11 of this act, cause to be designed, procured and installed an appropriate marker, plaque, statue or sign bearing the name of the deceased member of the Armed Forces of the United States at or upon the respective building, ground or property as directed by the Governor pursuant to subsection 1.*

Sec. 2. NRS 331.010 is hereby amended to read as follows:

331.010 As used in NRS 331.010 to 331.145, inclusive, *and section 1 of this act*, unless the context otherwise requires:

1. "Administrator" means the Administrator of the Division.
2. "Buildings and Grounds Section" means the Buildings and Grounds Section of the Division.
3. "Department" means the Department of Administration.
4. "Director" means the Director of the Department.
5. "Division" means the State Public Works Division of the Department.

Sec. 3. NRS 331.080 is hereby amended to read as follows:

331.080 1. ~~[The]~~ *Except as otherwise provided in section 1 of this act, the Administrator may expend appropriated money to meet expenses for the care, maintenance and preservation of the buildings, grounds and their appurtenances identified in NRS 331.070, and for the repair of the furniture and fixtures therein.*

2. *The Administrator shall take proper precautions against damage thereto, or to the furniture, fixtures or other public property therein.*

Sec. 4. NRS 331.101 is hereby amended to read as follows:

331.101 1. *The Buildings and Grounds Operating Fund is hereby created as an internal service fund.*

2. ~~[All]~~ *Except as otherwise provided in section 1 of this act, all costs of administering the provisions of NRS 331.010 to 331.145, inclusive, and section 1 of this act must be paid out of the Buildings and Grounds Operating Fund as other claims against the State are paid.*

Sec. 5. Chapter 407 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Governor may, upon receiving a recommendation from the Nevada Veterans Services Commission pursuant to section 10 of this act, direct the Administrator to name, subject to the provisions of NRS 407.065, a state park, monument or recreational area after a deceased member of the Armed Forces of the United States.*

2. *The Administrator shall, as soon as sufficient money is available from the Nevada Will Always Remember Veterans Gift Account created by section 11 of this act, cause to be designed, procured and installed an appropriate marker, plaque, statue or sign bearing the name of the deceased member of the Armed Forces of the United States at or upon the respective state park, monument or recreational area as directed by the Governor pursuant to subsection 1.*

Sec. 6. NRS 407.065 is hereby amended to read as follows:

407.065 1. The Administrator, subject to the approval of the Director:

(a) *Except as otherwise provided in this paragraph ~~[1]~~ and section 5 of this act, may establish, name, plan, operate, control, protect, develop and maintain state parks, monuments and recreational areas for the use of the general public. The name of an existing state park, monument or recreational area may not be changed unless the Legislature approves the change by statute.*

(b) *Shall protect state parks and property controlled or administered by the Division from misuse or damage and preserve the peace within those areas. The Administrator may appoint or designate certain employees of the Division to have the general authority of peace officers.*

(c) *May allow multiple use of state parks and real property controlled or administered by the Division for any lawful purpose, including, but not limited to, grazing, mining, development of natural resources, hunting and*

fishing, in accordance with such regulations as may be adopted in furtherance of the purposes of the Division.

(d) Shall impose and collect reasonable fees for entering, camping and boating in state parks and recreational areas. The Division shall issue, upon application therefor and proof of residency and age, an annual permit for entering, camping and boating in all state parks and recreational areas in this State to any person who is 65 years of age or older and has resided in this State for at least 5 years immediately preceding the date on which the application is submitted. The permit must be issued without charge, except that the Division shall charge and collect an administrative fee for the issuance of the permit in an amount sufficient to cover the costs of issuing the permit.

(e) May conduct and operate such special services as may be necessary for the comfort and convenience of the general public, and impose and collect reasonable fees for such special services.

(f) May rent or lease concessions located within the boundaries of state parks or of real property controlled or administered by the Division to public or private corporations, to groups of natural persons, or to natural persons for a valuable consideration upon such terms and conditions as the Division deems fit and proper, but no concessionaire may dominate any state park operation.

(g) May establish such capital projects construction funds as are necessary to account for the parks improvements program approved by the Legislature. The money in these funds must be used for the construction and improvement of those parks which are under the supervision of the Administrator.

(h) In addition to any concession specified in paragraph (f), may establish concessions within the boundaries of any state park to provide for the sale of food, drinks, ice, publications, sundries, gifts and souvenirs, and other such related items as the Administrator determines are appropriately made available to visitors. Any money received by the Administrator for a concession established pursuant to this paragraph must be deposited in the Fund for State Park Interpretative and Educational Programs and Operation of Concessions.

2. The Administrator:

(a) Shall issue an annual permit to a person who pays a reasonable fee as prescribed by regulation which authorizes the holder of the permit to enter each state park and each recreational area in this State and, except as otherwise provided in subsection 3, use the facilities of the state park or recreational area without paying the entrance fee; and

(b) May issue an annual permit to a person who pays a reasonable fee as prescribed by regulation which authorizes the holder of the permit to enter a specific state park or specific recreational area in this State and, except as otherwise provided in subsection 3, use the facilities of the state park or recreational area without paying the entrance fee.

3. An annual permit issued pursuant to subsection 2 does not authorize the holder of the permit to engage in camping or boating, or to attend special events. The holder of such a permit who wishes to engage in camping or boating, or to attend special events, must pay any fee established for the respective activity.

4. Except as otherwise provided in subsection 1 of NRS 407.0762 and subsection 1 of NRS 407.0765, the fees collected pursuant to paragraphs (d), (e) and (f) of subsection 1 or subsection 2 must be deposited in the State General Fund.

Sec. 7. Chapter 408 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Governor may, upon receiving a recommendation from the Nevada Veterans Services Commission pursuant to section 10 of this act, require the Director to name, subject to the provisions of this chapter, a highway, road, bridge or transportation facility of this State after a deceased member of the Armed Forces of the United States.*

2. *The Director shall, as soon as sufficient money is available from the Nevada Will Always Remember Veterans Gift Account created by section 11 of this act, cause to be designed, procured and installed an appropriate marker, plaque, statue or sign bearing the name of the deceased member of the Armed Forces of the United States at or upon the respective highway, road, bridge or transportation facility as required by the Governor pursuant to subsection 1.*

Sec. 8. Chapter 417 of NRS is hereby amended by adding thereto the provisions set forth as sections 9, 10 and 11 of this act.

Sec. 9. (Deleted by amendment.)

Sec. 10. 1. *The Nevada Veterans Services Commission shall recommend to the Governor:*

(a) The names of deceased members of the Armed Forces of the United States to be honored pursuant to the provisions of section 1, 5 or 7 of this act. Each deceased member must have been:

(1) A resident of this State; and

(2) Killed in action in:

(I) World War I;

(II) World War II;

(III) The Korean War;

(IV) The Vietnam Era;

(V) The Gulf War;

(VI) Operation Enduring Freedom; ~~for~~

~~[(II)]~~ (VII) Operation Iraqi Freedom ~~for~~; or

(VIII) Any other period of war identified by the Nevada Veterans Services Commission for the purposes of this subsection.

(b) The building, ground, property, park, monument, recreational area, highway, road, bridge or transportation facility of this State constructed on

or after July 1, 2013, which may be named after a deceased member recommended to the Governor pursuant to paragraph (a).

2. The Commission shall develop criteria to be used in determining the names to be recommended to the Governor pursuant to subsection 1.

3. As used in this section, the terms "killed in action," "Operation Enduring Freedom" and "Operation Iraqi Freedom" have the meanings ascribed to them by the United States Department of Defense.

Sec. 11. 1. The Nevada Will Always Remember Veterans Gift Account is hereby created in the State General Fund.

2. The Executive Director and the Deputy Executive Director may accept donations, gifts and grants of money from any source for deposit in the Account.

3. The money deposited in the Account pursuant to subsection 2 may only be used to pay for the design, procurement and installation of markers, plaques, statues or signs bearing the names of deceased members of the Armed Forces of the United States pursuant to the provisions of section 1, 5 or 7 of this act.

4. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

5. Any money remaining in the Account at the end of the each fiscal year does not revert to the State General Fund, but must be carried over to the next fiscal year.

Sec. 11.5. NRS 417.190 is hereby amended to read as follows:

417.190 The Nevada Veterans Services Commission shall:

1. Advise the Executive Director and Deputy Executive Director.

2. Make recommendations to the Governor, the Legislature, the Executive Director and the Deputy Executive Director regarding aid or benefits to veterans.

3. Make recommendations to the Governor pursuant to section 10 of this act.

Sec. 12. NRS 417.220 is hereby amended to read as follows:

417.220 1. The Account for Veterans Affairs is hereby created in the State General Fund.

2. Money received by the Executive Director or the Deputy Executive Director from:

(a) Fees charged pursuant to NRS 417.210;

(b) Allowances for burial from the Department of Veterans Affairs or other money provided by the Federal Government for the support of veterans cemeteries;

(c) Receipts from the sale of gifts and general merchandise;

(d) Grants obtained by the Executive Director or the Deputy Executive Director for the support of veterans cemeteries; and

(e) Except as otherwise provided in subsection 6 and NRS 417.145 and 417.147, and section 11 of this act, gifts of money and proceeds derived from

the sale of gifts of personal property that he or she is authorized to accept, if the use of such gifts has not been restricted by the donor,

↪ must be deposited with the State Treasurer for credit to the Account for Veterans Affairs and must be accounted for separately for a veterans cemetery in northern Nevada or a veterans cemetery in southern Nevada, whichever is appropriate.

3. The interest and income earned on the money deposited pursuant to subsection 2, after deducting any applicable charges, must be accounted for separately. Interest and income must not be computed on money appropriated from the State General Fund to the Account for Veterans Affairs.

4. The money deposited pursuant to subsection 2 may only be used for the operation and maintenance of the cemetery for which the money was collected. In addition to personnel he or she is authorized to employ pursuant to NRS 417.200, the Executive Director may use money deposited pursuant to subsection 2 to employ such additional employees as are necessary for the operation and maintenance of the cemeteries, except that the number of such additional full-time employees that the Executive Director may employ at each cemetery must not exceed 60 percent of the number of full-time employees for national veterans cemeteries that is established by the National Cemetery Administration of the United States Department of Veterans Affairs.

5. Except as otherwise provided in subsection 7, gifts of personal property which the Executive Director or the Deputy Executive Director is authorized to receive but which are not appropriate for conversion to money may be used in kind.

6. The Gift Account for Veterans Cemeteries is hereby created in the State General Fund. Gifts of money that the Executive Director or the Deputy Executive Director is authorized to accept and which the donor has restricted to one or more uses at a veterans cemetery must be accounted for separately in the Gift Account for Veterans Cemeteries. The interest and income earned on the money deposited pursuant to this subsection must, after deducting any applicable charges, be accounted for separately for a veterans cemetery in northern Nevada or a veterans cemetery in southern Nevada, as applicable. Any money remaining in the Gift Account for Veterans Cemeteries at the end of each fiscal year does not revert to the State General Fund, but must be carried over into the next fiscal year.

7. The Executive Director or the Deputy Executive Director shall use gifts of money or personal property that he or she is authorized to accept and for which the donor has restricted to one or more uses at a veterans cemetery in the manner designated by the donor, except that if the original purpose of the gift has been fulfilled or the original purpose cannot be fulfilled for good cause, any money or personal property remaining in the gift may be used for other purposes at the veterans cemetery in northern Nevada or the veterans cemetery in southern Nevada, as appropriate.

Sec. 13. (Deleted by amendment.)

Sec. 14. This act becomes effective on July 1, 2013.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

Thank you, Mr. President. Amendment No. 951 to Senate Bill No. 174 ensures the effects of the bill are prospective in its implementation so that we do not lose any branding or naming value that we have achieved in our parks, streets, bridges and highways over the years. It also expands eligibility of the wars in which service members were killed in action so that more can have their names commemorated in this way.

Amendment adopted.

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

Senate Bill No. 293.

Bill read third time.

Remarks by Senator Smith.

Thank you, Mr. President. Senate Bill No. 293 makes a General Fund appropriation of \$20,000 in each year of the 2013-15 Biennium to the Trust Account for the Education of Dependent Children. The Trust Account is administered by the Board of Regents to provide payment of the fees and expenses of dependent children of police or highway patrol, firefighters or volunteer ambulance drivers or attendants killed in the line of duty, to the extent funding is available. The bill becomes effective on July 1, 2013.

Roll call on Senate Bill No. 293:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 293 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 391.

Bill read third time.

The following amendment was proposed by the Committee on Finance.

Amendment No. 952.

"SUMMARY—Directs the Legislative Commission to appoint a committee to conduct an interim study concerning the governance structure of and funding methods for community colleges in this State. (BDR S-952)"

"AN ACT relating to education; directing the Legislative Commission to appoint a committee to conduct an interim study concerning the governance structure of and funding methods for community colleges in this State; ~~requiring the committee to determine the advisability of transferring the administration of community colleges to the Department of Education;~~ and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides for the administration of community colleges by the Board of Regents of the University of Nevada within the Nevada System of Higher Education. (NRS 396.020) Section 2 of this bill directs the Legislative Commission to appoint a committee to conduct an interim study concerning the governance structure of and funding methods for community

colleges in this State. Section 3 of this bill requires the committee to appoint two or more subcommittees, including the Subcommittee on Governance and Funding and the Subcommittee on Academics and Workforce Alignment, and to ~~[determine the advisability of transferring the administration of community colleges from the Board of Regents to the Department of Education.]~~ develop the mission and duties of each subcommittee. Section 3.5 of this bill requires the Legislative Counsel Bureau and the Nevada System of Higher Education to provide administrative and technical assistance to the committee and its subcommittees at the request of the Chair of the committee.

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

Section 1. The Legislature hereby finds and declares that:

1. The Nevada System of Higher Education, which is governed by the Board of Regents of the University of Nevada, encompasses several different types of institutions of higher education, including, without limitation, community colleges;

2. Community colleges are a key component of the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development;

3. Certain community colleges have a regional presence for vast areas of rural Nevada;

4. Recent economic problems in this State highlight the need for community colleges to be responsive to the students, business communities and regions of this State that they serve; and

5. It is important to determine whether a new method of governing and funding community colleges in this State is necessary to improve and advance the purpose of the State's community colleges.

Sec. 2. 1. The Legislative Commission shall appoint a committee to conduct an interim study concerning the governance structure of and funding methods for community colleges in this State.

2. The committee must be composed of six Legislators as follows:

(a) ~~[Three]~~ Two members appointed by the Majority Leader of the Senate ~~;~~ ~~[at least one of whom must be appointed from the membership of the Senate Standing Committee on Education during the 77th Session of the Nevada Legislature; and]~~

(b) ~~[Three]~~ Two members appointed by the Speaker of the Assembly ~~[at least one of whom must be appointed from the membership of the Assembly Standing Committee on Education during the 77th Session of the Nevada Legislature.];~~

(c) One member appointed by the Minority Leader of the Senate; and

(d) One member appointed by the Minority Leader of the Assembly.

3. The Majority Leader of the Senate shall appoint a Chair and Vice Chair of the committee.

4. The committee shall consult with and solicit input from persons and organizations with expertise in matters relevant to the governance structures of and funding methods for community colleges in this State.

~~[4.]~~ 5. The committee shall submit a report of its findings, including, without limitation, any proposed changes to the governance structure of or funding methods for community colleges in this State and any recommendations for legislation, to the 78th Session of the Nevada Legislature.

Sec. 3. ~~[1.]~~ In studying the governance structures of and funding methods for community colleges in this State, the committee appointed pursuant to section 2 shall:

1. Appoint two or more subcommittees, which must include:

(a) ~~[Determine]~~ The Subcommittee on Governance and Funding, which consists of:

(1) Three members who are members of the committee appointed pursuant to section 2 of this act, appointed by the Chair of the committee;

(2) One member who is a member of the Board of Regents of the University of Nevada, appointed by the Chair of the Board;

(3) One member who is a representative of K-12 education, appointed by the Superintendent of Public Instruction;

(4) Two members who are representatives of local governments, appointed by the Nevada Association of Counties, or its successor organization;

(5) One member who is a representative of local governments, appointed by the Nevada League of Cities, or its successor organization; and

(6) Any other members appointed by the Chair of the committee.

(b) The Subcommittee on Academics and Workforce Alignment, which consists of:

(1) Three members who are members of the committee appointed pursuant to section 2 of this act, appointed by the Chair of the committee;

(2) One member who is a member of the Board of Regents of the University of Nevada, appointed by the Chair of the Board;

(3) Three members who are representatives of the business and economic development communities of this State, one of whom must be a representative of northern Nevada, one of whom must be a representative of southern Nevada and one of whom must be a representative of rural Nevada, appointed by the Executive Director of the Office of Economic Development;

(4) One member who is a representative of the Department of Employment, Training and Rehabilitation, appointed by the Director of the Department; and

(5) Any other members appointed by the Chair of the committee.

2. Develop the mission and duties of each subcommittee appointed pursuant to subsection 1, which must include, without limitation:

(a) Reviewing national best practices of governance of and funding methods for community colleges;

(b) Examining effective relationships among local school districts, workforce development and community colleges and making recommendations concerning how this State can strengthen such relationships to improve student achievement;

(c) Examining effective relationships between business and industry and community colleges and making recommendations concerning how this State can strengthen such relationships to better prepare students for entry into the workforce;

(d) Reviewing the mission of each community college in this State, which must include a determination of whether, over the 10-year period immediately preceding the review, the mission of the community college has changed and whether changes to the academic programs of the community college have enhanced or undermined that mission; and

(e) Determining whether it is advisable to transfer the administration of community colleges from the Board of Regents of the University of Nevada to ~~the Department of Education;~~

~~(b) If the committee determines that~~ another governmental entity and:

(1) If such a transfer is determined to be advisable, ~~determine~~ determining the best methods of accomplishing the transfer; and

~~† (e) If the committee determines that~~

(2) If such a transfer is determined not to be advisable, ~~determine~~ determining whether there are other options available that would improve the governance structure of and funding methods for community colleges.

~~† 2. In determining the best methods of accomplishing a transfer as required by paragraph (b) of subsection 1, the committee may:~~

~~(a) Determine how the Department of Education will examine and audit the function, strengths and most efficient use of the facilities, resources and staff of each community college in this State to address the needs of the students enrolled in the community colleges;~~

~~(b) Examine how the Department of Education may appropriately tailor educational opportunities, programs and services offered by the community colleges to meet the needs of:~~

~~(1) Different categories of students and prospective students;~~

~~(2) Jobs and industries likely to be employing the students; and~~

~~(3) The State Plan for Economic Development;~~

~~(c) Determine how the Department of Education will prepare a comprehensive plan concerning the governance of community colleges that explains, for a specified period, anticipated new programs and expansions of existing programs, any associated costs and the amounts and sources of money available to meet those anticipated costs;~~

~~(d) Determine whether it is advisable for the Superintendent of Public Instruction to:~~

~~(1) Prescribe rules and adopt regulations relating to the governance of the community colleges and, if so, the types of rules and regulations the Superintendent of Public Instruction would be authorized or required to adopt;~~

~~(2) Appoint a Chancellor for the community colleges and, if so, determine the qualifications and set the salary for the Chancellor; and~~

~~(3) Set the salaries of the academic staff of the community colleges; and~~

~~(e) Determine whether it is advisable for the Department of Education to control the expenditures of money for the support and maintenance of community colleges in this State.]~~

Sec. 3.5. The Legislative Counsel Bureau and the Nevada System of Higher Education shall provide administrative and technical assistance to the committee appointed pursuant to section 2 of this act and its subcommittees as requested by the Chair of the committee.

Sec. 4. This act becomes effective on July 1, 2013.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

Thank you, Mr. President. Amendment No. 952 to Senate Bill No. 391 revises the make-up of the Legislative Commission's study committee so it retains the six legislative member committee and it appoints two subcommittees that include nonlegislative members. It also revises the appointing authority for those six legislative members. It also changes the scope of the committee's work over the Interim.

Amendment adopted.

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

Senate Bill No. 400.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 938.

"SUMMARY—Revises provisions governing the taxation of mines, ~~and~~ mining claims and ~~provides for~~ the ~~taxation~~ extraction of ~~certain items relating to mines, mining claims and extracted~~ minerals. (BDR 32-620)"

"AN ACT relating to taxes; contingently revising provisions governing the taxation of mines, ~~and~~ mining claims ~~revising the definition of "personal property" for purposes of taxation to remove the exception for certain ores, quartzes~~ and the extraction of minerals; exempting certain property from the property tax; providing that the taxable value of property must exclude the value of any mineral deposit in its natural state attached to the land; revising provisions relating to the taxation ~~under certain circumstances~~ of certain uses of property otherwise exempted from taxation; ~~removing the existing exemption of unpatented mines and mining claims from property taxes; deleting certain provisions governing the assessment of patented mines and mining claims;~~ imposing an excise tax upon mineral extraction and mineral royalties and providing for the administration and collection of the tax; providing penalties; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

~~[Section 5 of Article 10 of]~~ Under the Nevada Constitution ~~[provides for]~~ the Legislature must impose a tax upon the net proceeds of ~~[mines which is separate from the tax imposed on all other property.]~~ all minerals extracted in this State at a rate not to exceed 5 percent of the net proceeds, and the net proceeds are not subject to any other tax. The Nevada Constitution also exempts mines and mining claims from the property tax. (Nev. Const. Art. 10, §§ 1(1), 5)

During the 76th Session of the Legislature in 2011, the Legislature passed Senate Joint Resolution No. 15 ~~[, proposed by the 76th Session of the Legislature in 2011 and agreed to and passed by]~~ (S.J.R. 15), which proposes to amend the Nevada Constitution to remove these constitutional limitations on the Legislature's power to tax mines, mining claims and mineral extraction. (File Number 44, Statutes of Nevada 2011, p. 3871) As required for such constitutional amendments, the 77th Session of the Legislature in 2013 ~~[, proposes to repeal]~~ also passed the constitutional ~~[provision establishing a separate tax on the net proceeds of mines. This bill revises certain provisions governing the taxes imposed on mines and mining claims contingent upon approval and ratification of the provisions of Senate Joint Resolution No.]~~ amendments proposed by S.J.R. 15. However, the constitutional amendments do not become a part of the Constitution unless S.J.R. 15 is approved and ratified by the voters at the general election on November 4, 2014. (Nev. Const. Art. 16, § 1)

As a fundamental rule of state constitutional law, the Legislature may pass any law which the Constitution does not clearly prohibit. (*Koscot Interplanetary, Inc. v. Draney*, 90 Nev. 450, 456 (1974); *City of Las Vegas v. Ackerman*, 85 Nev. 493, 501-02 (1969)) Therefore, except when expressly limited by the Constitution, the Legislature has unrestricted power to tax and regulate all activities, trades and businesses. (*Matthews v. State ex rel. Nev. Tax Comm'n*, 83 Nev. 266, 268 (1967); *Ex parte Dixon*, 43 Nev. 196, 205-07 (1919); *Ex parte Robinson*, 12 Nev. 263, 268-69 (1877); *Gibson v. Mason*, 5 Nev. 283, 292-93 (1869)) If S.J.R. 15 becomes effective, it will remove long-standing constitutional limitations on the Legislature's power to tax mines, mining claims and mineral extraction, and the Legislature would be restored to its full unrestricted power to impose an excise tax upon mining operations for the privilege of engaging in mineral extraction in Nevada.

This bill amends existing law governing the taxation of mines, mining claims and mineral extraction, but the amendments do not become effective unless the voters approve and ratify S.J.R. 15. In particular, section 50 of this bill makes such amendments effective on November 25, 2014, the day on which S.J.R. 15 will become effective if it is declared to be approved and ratified by the voters according to the official canvass of the election returns which will be held on that date under existing law. (Nev. Const. Art. 5, § 4; NRS 293.395; *Torvinen v. Rollins*, 93 Nev. 92, 94 (1977)) If this bill

becomes effective, it makes various changes to the property tax and the existing tax upon minerals and mineral royalties.

Sections 10-32 of this bill revise the existing tax upon minerals and royalties and designate it as an excise tax upon mineral extraction and royalties. (Chapter 362 of NRS) An excise tax is a tax imposed for the privilege of carrying on a business or engaging in an activity, and an excise tax is not an ad valorem or property tax because an excise tax is based on the privilege of using property, rather than the value and ownership of the property. (*State, Gaming Comm'n v. Southwest Sec.*, 108 Nev. 379, 383-84 (1992); 71 Am. Jur. 2d *State and Local Taxation* § 23 (2012)) Because an excise tax is not an ad valorem or property tax, an excise tax is not subject to the provisions of the Nevada Constitution that require a uniform and equal rate of assessment and taxation for ad valorem or property taxes. (Nev. Const. Art. 10, § 1(1); *Ex parte Dixon*, 43 Nev. 196, 204-05 (1919); *Ex parte Cohn*, 13 Nev. 424, 426-27 (1878); *Ex parte Robinson*, 12 Nev. 263, 268-71 (1877)) Therefore, an excise tax may have graduated tax rates based on the type of business or activity being conducted or the amount of gross and net revenue generated by the business or activity, and such differing tax rates do not violate the Constitution. (*Ex parte Dixon*, 43 Nev. 196, 204-05 (1919); *Ex parte Cohn*, 13 Nev. 424, 426-27 (1878)) In the context of mining operations, an excise tax is typically calculated based on the type of mineral being extracted and the gross yield and net proceeds generated by the mining operation. (*Idaho Gold Dredging Co. v. Balderston*, 78 P.2d 105 (Idaho 1938))

Section 12 of this bill provides that for the privilege of engaging in mineral extraction in the State of Nevada, there is imposed an excise tax upon mineral extraction by each extractive operation based on the Department of Taxation's determination and certification of the gross yield and net proceeds from the mineral extraction. Section 12 also provides that the excise tax upon mineral extraction is not an ad valorem or property tax upon the value of the mineral extracted. (NRS 362.100) Sections 12-32 of this bill maintain, with certain technical revisions, the methods, standards and procedures used by the Department of Taxation to determine and certify the gross yield and net proceeds and to impose and collect the excise tax upon mineral extraction and royalties. (NRS 362.100-362.240)

With certain exceptions, existing law imposes a graduated tax rate upon the net proceeds of all minerals extracted, with a minimum rate of 2 percent and a maximum rate of 5 percent. Existing law also imposes a tax rate upon mineral royalties of 5 percent. (NRS 362.140) A portion of the revenue generated by the existing tax upon minerals and royalties is appropriated to each local government or other local taxing entity in an amount equal to the rate of tax ad valorem for local purposes in that jurisdiction multiplied by the net proceeds extracted from that jurisdiction, plus a pro rata share of any penalties and interest collected by the Department of Taxation for any late payment of the tax. (NRS 362.170)

Sections 22, 25 and 26 preserve, without change, the amounts appropriated to each local government or other local taxing entity from the revenue generated by the excise tax upon mineral extraction and royalties. (NRS 362.140, 362.170) In addition, section 22 preserves, without change, the existing tax rates applied to royalties and each extractive operation. (NRS 362.140) Section 21 provides that any person who challenges the excise tax may bring an appeal to the Nevada Tax Commission, but the person must timely pay the excise tax under protest while the appeal is pending. (NRS 362.135)

Under existing law, extracted minerals are a type of personal property. (*City of Virginia v. Chollar-Potosi Gold & Silver Mining Co.*, 2 Nev. 86, 91 (1866)) The mineral royalties paid by each extractive operation are also a type of personal property. (Att’y Gen. Op. 1901-11 (Dec. 24, 1901)) Under the Nevada Constitution, the Legislature may exempt personal property from the property tax. (Nev. Const. Art. 10, § 1(6))

Section 2.5 of this bill exempts from the property tax: (1) extracted minerals if the person who engaged in the mineral extraction is subject to the excise tax upon mineral extraction, but only when the extracted minerals are in the possession of the person who engaged in the mineral extraction; and (2) the royalties received from mineral extraction if the person who received the royalties is subject to the excise tax upon royalties. Existing law governing the property ~~taxes~~ tax excepts from the definition of "personal property" any gold-bearing and silver-bearing ores, quartz or minerals from which gold or silver is extracted. (NRS 361.030) Section 3 of this bill removes this exception ~~[-]~~ because such extracted minerals are exempted from the property tax under section 2.5.

Under the Nevada Constitution, the Legislature may exempt from the property tax any property that is used to encourage the conservation of energy or the substitution of other sources for fossil sources of energy. (Nev. Const. Art. 10, § 1(8)) Section 2.7 of this bill enacts such an exemption for real property used in an extractive operation extracting geothermal resources. However, the exemption does not extend to improvements and other types of property used in connection with the extractive operation which are currently subject to the property tax under existing law. (NRS 362.100; *Gold Hill v. Caledonia Silver Mining Co.*, 10 F. Cas. 550, 550-52 (C.C.D. Nev. 1879))

Existing law provides that if real property which is exempt from the property tax is leased, loaned or otherwise made available and used for certain purposes, such use is subject to the property tax. However, existing law contains certain exceptions. (NRS 361.157) Section 3.5 of this bill ~~exempts mines and mining claims from existing law which provides that when any real estate or portion of real estate which is exempt from taxation is leased, loaned or otherwise made available and used in connection with a business conducted for profit or as a residence, or both, the property is subject to taxation to the extent the portion of the property leased or used and~~

the percentage of time that the property is leased or used can be segregated and identified.] adds to those exceptions, and provides that the possession or use of exempt property as a mining claim does not subject the mining claim to the property tax.

Under the Nevada Constitution, the Legislature must enact such regulations as will secure a just valuation for taxation of all property subject to the property tax, and the Legislature may prescribe how certain natural components of the land must be valued in determining the taxable value of property. (Nev. Const. Art. 10, § 1(1)) Section 4 of this bill provides that in determining the taxable value of property, the value of any mineral deposit in its natural state attached to the land must be excluded from the computation of the taxable value of the property. (NRS 361.227)

~~[Section 22] Sections 1.5, 2, 7-9 and 33-48 of this bill [(1) removes the existing exemption of unpatented mines and mining claims from property taxes; and (2) deletes certain provisions governing the assessment of patented mines and mining claims. Sections 10-22 of this bill revise provisions relating to assessed valuation consistent with the contingent repeal of Section 5 of Article 10 of the Nevada Constitution.] make conforming changes to existing law that are necessary because of the enactment of the excise tax upon mineral extraction and royalties and because of the repeal of the constitutional provisions governing the taxation of mines, mining claims and mineral extraction proposed by S.J.R. 15. However, those sections maintain, without change, how the State and local governments must treat the net proceeds from mineral extraction and royalties in making various tax, revenue and spending calculations under existing law.~~

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

Section 1. 1. The Legislature hereby finds and declares that:

(a) In 2011, pursuant to Section 1 of Article 16 of the Nevada Constitution, the 76th Session of the Legislature proposed, agreed to and passed Senate Joint Resolution No. 15, which was published as file number 44, Statutes of Nevada 2011, at page 3871;

(b) Senate Joint Resolution No. 15 proposes to amend the Nevada Constitution to remove constitutional limitations on the Legislature's power to tax mines, mining claims and the extraction of minerals in Sections 1 and 5 of Article 10 of the Nevada Constitution;

(c) In 2013, the 77th Session of the Legislature also agreed to and passed the constitutional amendments proposed by Senate Joint Resolution No. 15 pursuant to Section 1 of Article 16 of the Nevada Constitution;

(d) At the general election on November 4, 2014, the constitutional amendments proposed by Senate Joint Resolution No. 15 will be submitted to the voters for their approval and ratification or their disapproval and rejection; and

(e) If the voters approve and ratify the constitutional amendments proposed by Senate Joint Resolution No. 15, the Legislature will be restored to its full power to determine by law and as a matter of public policy:

(1) The most appropriate and effective method to tax mining operations extracting minerals from this State, which provide important economic benefits to Nevada but which extract vast quantities of Nevada's most valuable yet nonrenewable and finite mineral resources; and

(2) The most appropriate and effective approach to balance the economic benefits of mineral extraction with its various environmental and ecological impacts to best protect and benefit the public's health, safety and welfare and to provide the greatest opportunities for education, prosperity and success for the people of this State.

2. The Legislature hereby further finds and declares that:

(a) Pursuant to Sections 1 and 5 of Article 10 of the Nevada Constitution, the Legislature must impose a tax upon the net proceeds of all minerals extracted in this State at a rate not to exceed 5 percent of the net proceeds, and no other tax may be imposed upon a mineral or its proceeds until the identity of the proceeds as such is lost;

(b) In accordance with Sections 1 and 5 of Article 10 of the Nevada Constitution, the Legislature enacted the provisions of NRS 362.100 to 362.240, inclusive, as they existed before the effective date of this act, to impose a tax upon the net proceeds of all minerals extracted in this State at a rate not to exceed 5 percent of the net proceeds;

(c) If the voters approve and ratify the constitutional amendments proposed by Senate Joint Resolution No. 15, the Legislature will have the power to substitute and replace the provisions of NRS 362.100 to 362.240, inclusive, as they existed before the effective date of this act, with the provisions of this act which impose an excise tax upon mineral extraction by each mining operation for the privilege of engaging in mineral extraction in this State;

(d) Pursuant to Section 1 of Article 10 of the Nevada Constitution, the Legislature has the power to exempt personal property from the property tax;

(e) Personal property includes extracted minerals, which are measured by the gross yield and net proceeds from mineral extraction by each extractive operation, and it also includes the mineral royalties paid by each extractive operation; and

(f) As an exercise of the legislative authority of this State and as a matter of public policy, this act:

(1) To the extent provided in section 2.5 of this act, exempts from the property tax extracted minerals, which are measured by the gross yield and net proceeds from mineral extraction by each extractive operation, and the mineral royalties paid by each extractive operation;

(2) Substitutes and replaces the provisions of NRS 362.100 to 362.240, inclusive, as they existed before the effective date of this act, with the provisions of this act;

(3) Imposes, for the privilege of engaging in mineral extraction in this State, an excise tax upon mineral extraction by each extractive operation and upon the mineral royalties paid by each extractive operation at tax rates that are equal to the tax rates imposed by the provisions of NRS 362.100 to 362.240, inclusive, as they existed before the effective date of this act; and

(4) Does not impose an ad valorem or property tax upon the value of the mineral extracted or the gross yield or net proceeds from the mineral extraction by each extractive operation or the mineral royalties paid by each extractive operation.

3. The Legislature hereby further finds and declares that:

(a) Pursuant to Section 1 of Article 10 of the Nevada Constitution, the Legislature has the power to exempt from taxation any property that is used to encourage the conservation of energy or the substitution of other sources for fossil sources of energy;

(b) When certain real property is used in an extractive operation extracting geothermal resources, the real property is being used to encourage the conservation of energy or the substitution of other sources for fossil sources of energy; and

(c) As an exercise of the legislative authority of this State and as a matter of public policy, this act exempts from the property tax certain real property that is used in an extractive operation extracting geothermal resources to the extent provided in section 2.7 of this act.

4. The Legislature hereby further finds and declares that:

(a) Pursuant to Section 1 of Article 10 of the Nevada Constitution, the Legislature has a duty to enact such regulations as will secure a just valuation for taxation of all property subject to the property tax, and the Legislature may prescribe how certain natural components of the land must be valued in determining the taxable value of property;

(b) When determining the taxable value of property, the potential existence, quantity, quality, extractability or profitability of any mineral deposit in its natural state attached to the land are all matters that are inherently uncertain, doubtful and speculative, and as a general rule, such matters are not reasonably, reliably or consistently knowable or discoverable until the minerals are extracted from the land;

(c) It would not secure a just valuation for taxation to include in the computation of the taxable value of the land any uncertain, doubtful and speculative estimates of the value of any mineral deposit in its natural state attached to the land because such estimates could not be reasonably, reliably or consistently applied in a uniform and equal manner to all lands in this State; and

(d) As an exercise of the legislative authority of this State and as a matter of public policy, this act provides that in determining the taxable value of any property subject to the property tax, the value of any mineral deposit in its natural state attached to the land must be excluded from the computation of the taxable value of the property.

~~[Section 1.]~~ *Sec. 1.5.* NRS 360.690 is hereby amended to read as follows:

360.690 1. Except as otherwise provided in NRS 360.730, the Executive Director shall estimate monthly the amount each local government, special district and enterprise district will receive from the Account pursuant to the provisions of this section.

2. The Executive Director shall establish a base monthly allocation for each local government, special district and enterprise district by dividing the amount determined pursuant to NRS 360.680 for each local government, special district and enterprise district by 12, and the State Treasurer shall, except as otherwise provided in subsections 3 to 8, inclusive, remit monthly that amount to each local government, special district and enterprise district.

3. If, after making the allocation to each enterprise district for the month, the Executive Director determines there is not sufficient money available in the county's subaccount in the Account to allocate to each local government and special district the base monthly allocation determined pursuant to subsection 2, he or she shall prorate the money in the county's subaccount and allocate to each local government and special district an amount equal to its proportionate percentage of the total amount of the base monthly allocations determined pursuant to subsection 2 for all local governments and special districts within the county. The State Treasurer shall remit that amount to the local government or special district.

4. Except as otherwise provided in subsections 5 to 8, inclusive, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, he or she shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency ~~but~~ but excluding the portion attributable to the net proceeds ~~[of minerals]~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that

the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency ~~but~~ but excluding the portion attributable to the net proceeds ~~of minerals,~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➡ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

5. Except as otherwise provided in subsection 6 or 7, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district and that the average amount over the 5 fiscal years immediately preceding the year in which the allocation is made of the assessed valuation of taxable property which is attributable to the net proceeds ~~of minerals,~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, in the county is equal to at least \$50,000,000, or that the average percentage of change in population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9, is a negative figure, or that the average amount over the 5 fiscal years immediately preceding the year in which the allocation is made of the assessed valuation of taxable property which is attributable to the net proceeds ~~of minerals,~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, in the county is equal to at least \$50,000,000 and the average percentage of change in population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the

Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9, is a negative figure, the Executive Director shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency ~~++~~ but excluding the portion attributable to the net proceeds ~~[of minerals,]~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency ~~++~~ but excluding the portion attributable to the net proceeds ~~[of minerals,]~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➡ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

6. Except as otherwise provided in subsection 8, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, that the sum of the average percentage of change in population and the average percentage of change in the assessed valuation of taxable property, as calculated pursuant to subparagraph (1) of paragraph (a) of subsection 4 for each of those local governments, is a negative figure, and that the average change in the assessed valuation of the taxable property in each of those special districts, as calculated pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a negative figure, he or she shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency ~~but~~ but excluding the portion attributable to the net proceeds [of minerals.] from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency ~~but~~ but excluding the portion attributable to the net proceeds [of minerals.] from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➔ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

7. Except as otherwise provided in subsection 8, if the Executive Director determines that there is money remaining in the county's subaccount in the Account after the base monthly allocation determined pursuant to subsection 2 has been allocated to each local government, special district and enterprise district, that the sum of the average percentage of change in population and the average percentage of change in the assessed valuation of taxable property, as calculated pursuant to subparagraph (1) of paragraph (a) of subsection 4 for each of those local governments, is a negative figure, and that the average change in the assessed valuation of the taxable property in any of those special districts, as calculated pursuant to subparagraph (1) of paragraph (b) of subsection 4, is a positive figure, he or she shall immediately determine and allocate each:

(a) Local government's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the local government over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average percentage of change in the assessed valuation of the taxable property in the local government, including assessed valuation attributable to a redevelopment agency ~~for~~ but excluding the portion attributable to the net proceeds of minerals, from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each local government an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (b), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount; and

(b) Special district's share of the remaining money by:

(1) Multiplying one-twelfth of the amount allocated pursuant to NRS 360.680 by 1 plus the sum of the:

(I) Average percentage of change in the population of the county over the 5 fiscal years immediately preceding the year in which the allocation is made, as certified by the Governor pursuant to NRS 360.285, except as otherwise provided in subsection 9; and

(II) Average change in the assessed valuation of the taxable property in the special district, including assessed valuation attributable to a redevelopment agency ~~for~~ but excluding the portion attributable to the net proceeds [of minerals,] from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, over the year in which the allocation is made, as projected by the Department, and the 4 fiscal years immediately preceding the year in which the allocation is made; and

(2) Using the figure calculated pursuant to subparagraph (1) to calculate and allocate to each special district an amount equal to the proportion that the figure calculated pursuant to subparagraph (1) bears to the total amount of the figures calculated pursuant to subparagraph (1) of this paragraph and subparagraph (1) of paragraph (a), respectively, for the local governments and special districts located in the same county multiplied by the total amount available in the subaccount.

➡ The State Treasurer shall remit the amount allocated to each local government or special district pursuant to this subsection.

8. The Executive Director shall not allocate any amount to a local government or special district pursuant to subsection 4, 5, 6 or 7 unless the amount distributed and allocated to each of the local governments and special districts in the county in each preceding month of the fiscal year in which the allocation is to be made was at least equal to the base monthly allocation determined pursuant to subsection 2. If the amounts distributed to the local governments and special districts in the county for the preceding months of the fiscal year in which the allocation is to be made were less than the base monthly allocation determined pursuant to subsection 2 and the Executive Director determines there is money remaining in the county's subaccount in the Account after the distribution for the month has been made, he or she shall:

(a) Determine the amount by which the base monthly allocations determined pursuant to subsection 2 for each local government and special district in the county for the preceding months of the fiscal year in which the allocation is to be made exceeds the amounts actually received by the local governments and special districts in the county for the same period; and

(b) Compare the amount determined pursuant to paragraph (a) to the amount of money remaining in the county's subaccount in the Account to determine which amount is greater.

➡ If the Executive Director determines that the amount determined pursuant to paragraph (a) is greater, he or she shall allocate the money remaining in

the county's subaccount in the Account pursuant to the provisions of subsection 3. If the Executive Director determines that the amount of money remaining in the county's subaccount in the Account is greater, he or she shall first allocate the money necessary for each local government and special district to receive the base monthly allocation determined pursuant to subsection 2 and the State Treasurer shall remit that money so allocated. The Executive Director shall allocate any additional money in the county's subaccount in the Account pursuant to the provisions of subsection 4, 5, 6 or 7, as appropriate.

9. The percentage changes in population calculated pursuant to subsections 4 to 7, inclusive, must:

(a) Except as otherwise provided in paragraph (c), if the Bureau of the Census of the United States Department of Commerce issues population totals that conflict with the totals certified by the Governor pursuant to NRS 360.285, be an estimate of the change in population for the calendar year, based upon the population totals issued by the Bureau of the Census.

(b) If a new method of determining population is established pursuant to NRS 360.283, be adjusted in a manner that will result in the percentage change being based on population determined pursuant to the new method for both the fiscal year in which the allocation is made and the fiscal year immediately preceding the year in which the allocation is made.

(c) If a local government files a formal appeal with the Bureau of the Census concerning the population total of the local government issued by the Bureau of the Census, be calculated using the population total certified by the Governor pursuant to NRS 360.285 until the appeal is resolved. If additional money is allocated to the local government because the population total certified by the Governor is greater than the population total issued by the Bureau of the Census, the State Treasurer shall deposit that additional money in a separate interest-bearing account. Upon resolution of the appeal, if the population total finally determined pursuant to the appeal is:

(1) Equal to or less than the population total initially issued by the Bureau of the Census, the State Treasurer shall transfer the total amount in the separate interest-bearing account, including interest but excluding any administrative fees, to the Local Government Tax Distribution Account for allocation among the local governments in the county pursuant to subsection 4, 5, 6 or 7, as appropriate.

(2) Greater than the population total initially issued by the Bureau of the Census, the Executive Director shall calculate the amount that would have been allocated to the local government pursuant to subsection 4, 5, 6 or 7, as appropriate, if the population total finally determined pursuant to the appeal had been used and the State Treasurer shall remit to the local government an amount equal to the difference between the amount actually distributed and the amount calculated pursuant to this subparagraph or the total amount in the separate interest-bearing account, including interest but excluding any administrative fees, whichever is less.

10. On or before February 15 of each year, the Executive Director shall provide to each local government, special district and enterprise district a preliminary estimate of the revenue it will receive from the Account for that fiscal year.

11. On or before March 15 of each year, the Executive Director shall:

(a) Make an estimate of the receipts from each tax included in the Account on an accrual basis for the next fiscal year in accordance with generally accepted accounting principles, including an estimate for each county of the receipts from each tax included in the Account; and

(b) Provide to each local government, special district and enterprise district an estimate of the amount that local government, special district or enterprise district would receive based upon the estimate made pursuant to paragraph (a) and calculated pursuant to the provisions of this section.

12. A local government, special district or enterprise district may use the estimate provided by the Executive Director pursuant to subsection 11 in the preparation of its budget.

Sec. 2. NRS 360.695 is hereby amended to read as follows:

360.695 1. If the population and assessed valuation of the taxable property, ~~except any assessed valuation attributable to the net proceeds of~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, ~~of minerals,~~ within a local government or special district has decreased in each of the 3 fiscal years immediately preceding the current fiscal year, the Executive Director shall review the amount allocated to the local government or special district from the Account pursuant to NRS 360.680, to determine whether to adjust the allocation. The local government or special district may submit information to assist the Executive Director in making a determination. If the Executive Director determines that an adjustment to the allocation of the local government or special district is necessary, the Executive Director shall submit his or her findings on the matter to the Committee on Local Government Finance.

2. The Committee on Local Government Finance shall review the findings submitted by the Executive Director pursuant to subsection 1. If the Committee determines that an adjustment to the amount allocated to the local government or special district pursuant to NRS 360.680 is appropriate, the Committee shall submit a recommendation to the Nevada Tax Commission that sets forth the amount of the recommended adjustment. If the Committee determines that the adjustment is not appropriate, that decision is not subject to review by the Nevada Tax Commission.

3. The Nevada Tax Commission shall schedule a public hearing within 30 days after the Committee on Local Government Finance submits its recommendation. The Nevada Tax Commission shall provide public notice of the hearing at least 10 days before the date on which the hearing will be held. The Executive Director shall provide copies of all documents relevant to the adjustment recommended by the Committee on Local Government

Finance to the governing body of each local government and special district that is located in the same county as the local government or special district that is subject to the recommended adjustment.

4. If, after the public hearing, the Nevada Tax Commission determines that the recommended adjustment is appropriate, it shall order the Executive Director to adjust the amount allocated to the local government or special district pursuant to NRS 360.680.

Sec. 2.3. Chapter 361 of NRS is hereby amended by adding thereto the provisions set forth as sections 2.5 and 2.7 of this act.

Sec. 2.5. The following personal property is exempt from taxation:

1. Extracted minerals, which are measured by the gross yield and net proceeds from mineral extraction, if the person who engaged in the mineral extraction is subject to the excise tax upon mineral extraction pursuant to the provisions of NRS 362.100 to 362.240, inclusive, but only when the extracted minerals are in the possession of the person who engaged in the mineral extraction.

2. The royalties received from mineral extraction if the person who received the royalties is subject to the excise tax upon royalties pursuant to the provisions of NRS 362.100 to 362.240, inclusive.

Sec. 2.7. 1. Except as otherwise provided in subsection 2 of NRS 362.100, real property that is used in an extractive operation extracting geothermal resources is exempt from taxation if the person who engaged in the mineral extraction is subject to the excise tax upon mineral extraction pursuant to the provisions of NRS 362.100 to 362.240, inclusive.

2. As used in this section, "extractive operation" has the meaning ascribed to it in NRS 362.010.

Sec. 3. NRS 361.030 is hereby amended to read as follows:

361.030 ~~{1-}~~ "Personal property" means:

- ~~{(a)}~~ 1. All household and kitchen furniture.
- ~~{(b)}~~ 2. All law, medical and miscellaneous libraries.
- ~~{(c)}~~ 3. All goods, wares and merchandise.
- ~~{(d)}~~ 4. All chattels of every kind and description, except vehicles as defined in NRS 371.020.
- ~~{(e)}~~ 5. Stocks of goods on hand.
- ~~{(f)}~~ 6. Any vehicle not included in the definition of vehicle in NRS 371.020.

~~{(g)}~~ 7. All locomotives, cars, rolling stock and other personal property used in operating any railroad within the State.

~~{(h)}~~ 8. All machines and machinery, all works and improvements, all steamers, vessels and watercraft of every kind and name navigating or used upon the waters of any river or lake within this State or having a general depot or terminus within this State.

~~{(i)}~~ 9. The money, property and effects of every kind, except real estate, of all banks, banking institutions or firms, bankers, moneylenders and brokers.

~~[(6)]~~ 10. All property of whatever kind or nature, except vehicles as defined in NRS 371.020, not included in the term "real estate" as that term is defined in NRS 361.035.

~~[2. Gold bearing and silver bearing ores, quartz or minerals from which gold or silver is extracted, when in the hands of the producers thereof, shall not mean, not be taken to mean, nor be listed and assessed under the term "personal property" as used in this section, but are specially excepted therefrom, and shall be listed, assessed and taxed as provided by law.]~~

Sec. 3.5. NRS 361.157 is hereby amended to read as follows:

361.157 1. When any real estate or portion of real estate which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person, association, partnership or corporation in connection with a business conducted for profit or as a residence, or both, the leasehold interest, possessory interest, beneficial interest or beneficial use of the lessee or user of the property is subject to taxation to the extent the:

(a) Portion of the property leased or used; and
(b) Percentage of time during the fiscal year that the property is leased by the lessee or used by the user, in accordance with NRS 361.2275,
→ can be segregated and identified. The taxable value of the interest or use must be determined in the manner provided in subsection 3 of NRS 361.227 and in accordance with NRS 361.2275.

2. Subsection 1 does not apply to:

(a) Property located upon a public airport, park, market or fairground, or any property owned by a public airport, unless the property owned by the public airport is not located upon the public airport and the property is leased, loaned or otherwise made available for purposes other than for the purposes of a public airport, including, without limitation, residential, commercial or industrial purposes;

(b) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;

(c) Property of any state-supported educational institution, except any part of such property located within a tax increment area created pursuant to NRS 278C.155;

(d) Property leased or otherwise made available to and used by a natural person, private association, private corporation, municipal corporation, quasi-municipal corporation or a political subdivision under the provisions of the Taylor Grazing Act or by the United States Forest Service or the Bureau of Reclamation of the United States Department of the Interior;

(e) Property of any Indian or of any Indian tribe, band or community which is held in trust by the United States or subject to a restriction against alienation by the United States;

(f) Vending stand locations and facilities operated by persons who are blind under the auspices of the Bureau of Services to Persons Who Are Blind or Visually Impaired of the Rehabilitation Division of the Department of

Employment, Training and Rehabilitation, whether or not the property is owned by the federal, state or a local government;

(g) Leases held by a natural person, corporation, association, municipal corporation, quasi-municipal corporation or political subdivision for development of geothermal resources, but only for resources which have not been put into commercial production;

(h) The use of exempt property that is leased, loaned or made available to a public officer or employee, incident to or in the course of public employment;

(i) A parsonage owned by a recognized religious society or corporation when used exclusively as a parsonage;

(j) Property owned by a charitable or religious organization all, or a portion, of which is made available to and is used as a residence by a natural person in connection with carrying out the activities of the organization;

(k) Property owned by a governmental entity and used to provide shelter at a reduced rate to elderly persons or persons having low incomes;

(l) The occasional rental of meeting rooms or similar facilities for periods of less than 30 consecutive days;

(m) The use of exempt property to provide day care for children if the day care is provided by a nonprofit organization; ~~for~~

(n) Any lease, easement, operating agreement, license, permit or right of entry for any exempt state property granted by the Department or the Regional Transportation Commission of Southern Nevada pursuant to section 45 of the Boulder City Bypass Toll Road Demonstration Project Act ~~[-]~~; or

(o) ~~A mine or~~ The possession or use of exempt property as a mining claim.

3. Taxes must be assessed to lessees or users of exempt real estate and collected in the same manner as taxes assessed to owners of other real estate, except that taxes due under this section do not become a lien against the property. When due, the taxes constitute a debt due from the lessee or user to the county for which the taxes were assessed and, if unpaid, are recoverable by the county in the proper court of the county.

Sec. 4. NRS 361.227 is hereby amended to read as follows:

361.227 1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) Any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must

be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years.

2. The unit of appraisal must be a single parcel unless:

(a) The location of the improvements causes two or more parcels to function as a single parcel;

(b) The parcel is one of a group of contiguous parcels which qualifies for valuation as a subdivision pursuant to the regulations of the Nevada Tax Commission; or

(c) In the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit.

3. The taxable value of a leasehold interest, possessory interest, beneficial interest or beneficial use for the purpose of NRS 361.157 or 361.159 must be determined in the same manner as the taxable value of the property would otherwise be determined if the lessee or user of the property was the owner of the property and it was not exempt from taxation, except that the taxable value so determined must be reduced by a percentage of the taxable value that is equal to the:

(a) Percentage of the property that is not actually leased by the lessee or used by the user during the fiscal year; and

(b) Percentage of time that the property is not actually leased by the lessee or used by the user during the fiscal year, which must be determined in accordance with NRS 361.2275.

4. The taxable value of other taxable personal property, except a mobile or manufactured home, must be determined by subtracting from the cost of replacement of the property all applicable depreciation and obsolescence. Depreciation of a billboard must be calculated at 1.5 percent of the cost of replacement for each year after the year of acquisition of the billboard, up to a maximum of 50 years.

5. *In determining the taxable value of property, the value of any mineral deposit in its natural state attached to the land must be excluded from the computation of the taxable value of the property.*

6. The computed taxable value of any property must not exceed its full cash value. Each person determining the taxable value of property shall reduce it if necessary to comply with this requirement. A person determining whether taxable value exceeds that full cash value or whether obsolescence is a factor in valuation may consider:

(a) Comparative sales, based on prices actually paid in market transactions.

(b) A summation of the estimated full cash value of the land and contributory value of the improvements.

(c) Capitalization of the fair economic income expectancy or fair economic rent, or an analysis of the discounted cash flow.

➡ A county assessor is required to make the reduction prescribed in this subsection if the owner calls to his or her attention the facts warranting it, if

the county assessor discovers those facts during physical reappraisal of the property or if the county assessor is otherwise aware of those facts.

~~{6-}~~ 7. The Nevada Tax Commission shall, by regulation, establish:

(a) Standards for determining the cost of replacement of improvements of various kinds.

(b) Standards for determining the cost of replacement of personal property of various kinds. The standards must include a separate index of factors for application to the acquisition cost of a billboard to determine its replacement cost.

(c) Schedules of depreciation for personal property based on its estimated life.

(d) Criteria for the valuation of two or more parcels as a subdivision.

~~{7-}~~ 8. In determining, for the purpose of computing taxable value, the cost of replacement of:

(a) Any personal property, the cost of all improvements of the personal property, including any additions to or renovations of the personal property, but excluding routine maintenance and repairs, must be added to the cost of acquisition of the personal property.

(b) An improvement made on land, a county assessor may use any final representations of the improvement prepared by the architect or builder of the improvement, including, without limitation, any final building plans, drawings, sketches and surveys, and any specifications included in such representations, as a basis for establishing any relevant measurements of size or quantity.

~~{8-}~~ 9. The county assessor shall, upon the request of the owner, furnish within 15 days to the owner a copy of the most recent appraisal of the property, including, without limitation, copies of any sales data, materials presented on appeal to the county board of equalization or State Board of Equalization and other materials used to determine or defend the taxable value of the property.

~~{9-}~~ 10. The provisions of this section do not apply to property which is assessed pursuant to NRS 361.320.

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. NRS 361.2285 is hereby amended to read as follows:

361.2285 The Nevada Tax Commission shall adopt regulations which:

1. Provide for the creation of a simple, easily understood form which may be completed by the owner of any real property used to conduct a business and used to:

(a) Compute and determine the value of the property using the income approach and to compare that value to the existing taxable value of the property to determine the existence of any obsolescence; and

(b) Apply to the appropriate county assessor or board of equalization for computation of the taxable value of the property in accordance with subsection ~~{5}~~ 6 of NRS 361.227.

2. Clearly set forth the methodology for applying the income approach to valuation for tax purposes of real property used to conduct a business to determine whether obsolescence is a factor. The methodology must be described in a manner that may be easily understood by the owners of such property.

3. Will make available to the owner of any real property used to conduct a business information that will allow the owner to apply the income approach to establish the full cash value of the property for the purpose of comparing that value to the taxable value established by the county assessor.

Sec. 8. NRS 361.390 is hereby amended to read as follows:

361.390 Each county assessor shall:

1. File with or cause to be filed with the Secretary of the State Board of Equalization, on or before March 10 of each year, the tax roll, or a true copy thereof, of his or her county for the current year as corrected by the county board of equalization.

2. Prepare and file with the Department on or before January 31, March 5 and October 31 of each year, a segregation report showing the assessed values for each taxing entity within the county on a form prescribed by the Department. The assessor shall make projections of assessed value for the current fiscal year and the upcoming fiscal year regarding real and personal property for which the taxable value is determined by the assessor. The Department shall make any projections required for the upcoming fiscal year regarding the net proceeds [of minerals] from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, and any property for which the taxable value is determined by the Nevada Tax Commission.

3. Prepare and file with the Department on or before May 5 for the unsecured roll, on or before August 10 for the secured roll, and on or before October 31 for the unsecured roll and the secured roll, a statistical report showing values for all categories of property on a form prescribed by the Department.

Sec. 9. NRS 361.405 is hereby amended to read as follows:

361.405 1. ~~[The]~~ As soon as reasonably practicable, the Secretary of the State Board of Equalization ~~[forthwith]~~ or the Executive Director of the Department, as applicable, shall certify any change made by the Board or the Nevada Tax Commission in the assessed valuation of any property, in whole or in part, to the county auditor of the county where the property is assessed, and whenever the valuation of any property is raised, the Secretary of the State Board of Equalization or the Executive Director of the Department, as applicable, shall forward by certified mail, to the property owner or owners affected, notice of the increased valuation.

2. As soon as changes resulting from cases having a substantial effect on tax revenues have been certified to the county auditor by the Secretary of the State Board of Equalization, ~~[or]~~ or the Executive Director of the Department, as applicable, the county auditor shall:

(a) Enter all such changes ~~and~~ the value of any construction work in progress and the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, which were certified to ~~him or her~~ the county auditor by the Department, on the assessment roll before the delivery thereof to the tax receiver.

(b) Add up the valuations and enter the total valuation of each kind of property and the total valuation of all property on the assessment roll.

(c) Certify the results to the board of county commissioners and the Department.

3. The board of county commissioners shall not levy a tax on the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, which are added to the assessed valuation pursuant to paragraph (a) of subsection 2, but, except as otherwise provided by specific statute, the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, must be included in the assessed valuation of the taxable property of the county and all local governments in the county for the determination of the rate of tax and all other purposes for which assessed valuation is used.

4. As soon as changes resulting from cases having less than a substantial effect on tax revenue have been certified to the county tax receiver by the Secretary of the State Board of Equalization ~~or~~ or the Executive Director of the Department, as applicable, the county tax receiver shall adjust the assessment roll or the tax statement or make a tax refund, as directed by the State Board of Equalization ~~or~~ or the Nevada Tax Commission.

Sec. 10. Chapter 362 of NRS is hereby amended by adding thereto a new section to read as follows:

The Legislature hereby finds and declares that:

1. Within the State of Nevada, there are many valuable yet nonrenewable and finite mineral resources.

2. The extraction of minerals from the State of Nevada is an important economic activity that is essential to the prosperity of this State and the Nation.

3. Although beneficial, the extraction of minerals from the State of Nevada comes with various environmental and ecological impacts.

4. For the protection and benefit of the public's health, safety and welfare, this chapter imposes, for the privilege of engaging in mineral extraction in the State of Nevada, an excise tax upon mineral extraction by each extractive operation and upon all royalties paid by each extractive operation.

5. This chapter does not impose an ad valorem or property tax upon the value of the mineral extracted or the gross yield or net proceeds from the mineral extraction by each extractive operation or the royalties paid by each extractive operation.

Sec. 11. NRS 362.010 is hereby amended to read as follows:

362.010 As used in this chapter, unless the context otherwise requires:

1. "Extractive operation" or "operation" means each geographically separate extractive location in this State where a person engages in mineral extraction. The term includes, without limitation, a mining operation defined in NRS 519A.080, and for each such operation, its location is the location described in the plan or amended plan filed by the person pursuant to NRS 519A.200 to 519A.260, inclusive.

2. "Gross yield from mineral extraction" or "gross yield" means the gross yield from mineral extraction by each extractive operation as determined and certified pursuant to the provisions of NRS 362.100 to 362.240, inclusive.

3. "Mine" means an excavation in the earth from which ores, coal or other mineral substances are extracted, or a subterranean natural deposit of minerals located and identified as such by the staking of a claim or other method recognized by law. The term includes, without limitation, a well drilled to extract minerals.

~~4.~~ 4. "Mineral" includes, without limitation, oil, gas and other hydrocarbons, but ~~The term does not include sand, gravel or water, except hot water or steam in an operation extracting geothermal resources for profit.~~

~~5.~~ 5. "Mineral extraction" means any act, process, system or method by, through or from which ores, coal or other mineral substances are extracted. The term includes, without limitation, the use of a well drilled to extract minerals.

6. "Net proceeds from mineral extraction" or "net proceeds" means the net proceeds from mineral extraction by each extractive operation as determined and certified pursuant to the provisions of NRS 362.100 to 362.240, inclusive.

7. "Patented mine or mining claim" means each separate, whole or fractional patented mining location, whether such whole or fractional mining location is covered by an independent patent or is included under a single patent with other mining locations.

8. "Royalty" means a portion of the proceeds from mineral extraction which is paid for the privilege of extracting the mineral. The term does not include:

(a) Rents or other compensatory payments which are fixed and certain in amount and payable periodically over the duration of the lease regardless of the extent of extractions; or

(b) Minimum royalties covering periods when no mineral is extracted if the payments are fixed and certain in amount and payable on a regular periodic basis.

9. "Tax upon mineral extraction" means the excise tax upon mineral extraction imposed and collected pursuant to the provisions of NRS 362.100 to 362.240, inclusive.

10. "Tax upon royalties" means the excise tax upon royalties imposed and collected pursuant to the provisions of NRS 362.100 to 362.240, inclusive.

Sec. 12. NRS 362.100 is hereby amended to read as follows:

362.100 1. The provisions of NRS 362.100 to 362.240, inclusive:

(a) Impose, for the privilege of engaging in mineral extraction in the State of Nevada, an excise tax upon mineral extraction by each extractive operation based on the Department's determination and certification of the gross yield and net proceeds from the mineral extraction and upon all royalties paid by each extractive operation; and

(b) Do not impose an ad valorem or property tax upon the value of the mineral extracted or the gross yield or net proceeds from the mineral extraction by each extractive operation or the royalties paid by each extractive operation.

2. In administering the provisions of NRS 362.100 to 362.240, inclusive, the Department shall:

(a) Investigate and determine the gross yield and net proceeds ~~for all minerals extracted~~ from mineral extraction by each extractive operation and certify ~~them~~ the gross yield and net proceeds as provided in NRS 362.100 to 362.240, inclusive.

(b) Appraise and assess all reduction, smelting and milling works, plants and facilities, whether or not associated with a mine, all drilling rigs, and all supplies, machinery, equipment, apparatus, facilities, buildings, structures and other improvements used in connection with any mining, drilling, reduction, smelting or milling operation as provided in chapter 361 of NRS.

~~[2. As used in this section, "net proceeds of all minerals extracted" includes the proceeds of]~~

(c) Deposit all taxes, interest and penalties it receives pursuant to the provisions of NRS 362.100 to 362.240, inclusive, in the State Treasury for credit to the State General Fund and, after being apportioned and appropriated as required by law, for credit to the proper account or fund for distribution to local governments pursuant to NRS 362.170.

3. The provisions of NRS 362.100 to 362.240, inclusive, apply to all extractive operations, including, without limitation, all:

(a) Operating mines;

(b) Operating oil and gas wells;

(c) Operations extracting geothermal resources for profit, except an operation which uses natural hot water to enhance the growth of animal or plant life; and

(d) Operations extracting minerals from natural solutions.

Sec. 13. NRS 362.110 is hereby amended to read as follows:

362.110 1. ~~[Every]~~ Each person ~~[extracting any]~~ who engages in mineral ~~[in this State.]~~ extraction:

(a) Shall, on or before February 16 of each year, file with the Department a statement showing the gross yield and claimed net proceeds from each

~~[geographically separate]~~ *extractive* operation ~~[where a mineral is extracted by that person]~~ and all royalties paid by each extractive operation during the calendar year immediately preceding the year in which the statement is filed.

(b) May have up to 30 days after filing the statement required by paragraph (a) to file an amended statement.

2. The statement must:

(a) Show the claimed deductions from the gross yield in the detail set forth in NRS 362.120. The deductions are limited to the costs incurred during the calendar year immediately preceding the year in which the statement is filed.

(b) Be in the form prescribed by the Department.

(c) Be verified by the manager, superintendent, secretary or treasurer of the corporation, or by the owner of the operation ~~[if]~~ or, if the owner is a natural person, by someone authorized in his or her behalf.

Sec. 14. NRS 362.110 is hereby amended to read as follows:

362.110 1. ~~[Every]~~ *Each* person ~~[extracting any]~~ who engages in mineral [in this State or receiving any royalty:] extraction:

(a) Shall, on or before February 16 of each year, file with the Department a statement showing the gross yield and claimed net proceeds from each ~~[geographically separate]~~ *extractive* operation ~~[where a mineral is extracted by that person]~~ and all royalties paid by each extractive operation during the calendar year immediately preceding the year in which the statement is filed.

(b) May have up to 30 days after filing the statement required by paragraph (a) to file an amended statement.

2. The statement must:

(a) Show the claimed deductions from the gross yield in the detail set forth in NRS 362.120. The deductions are limited to the costs incurred during the calendar year immediately preceding the year in which the statement is filed.

(b) Be in the form prescribed by the Department.

(c) Be verified by the manager, superintendent, secretary or treasurer of the corporation, or by the owner of the operation ~~[if]~~ or, if the owner is a natural person, by someone authorized in his or her behalf.

3. Each ~~[recipient of a royalty as described in subsection 1]~~ person who receives any royalties from an extractive operation shall annually file with the Department a ~~[list]~~ statement showing the amount of the royalties and each of the lessees or sublessees who paid the royalties and who is responsible for the taxes upon mineral extraction due [in connection with] from the extractive operation. [or operations included in the statement filed pursuant to subsections 1 and 2.]

Sec. 15. NRS 362.115 is hereby amended to read as follows:

362.115 1. In addition to the statement ~~[required by subsection 1 of]~~ filed pursuant to NRS 362.110, each person [extracting any] who engages in mineral [in this State:] extraction:

(a) Shall, on or before March 1 of each year, file with the Department a statement showing the estimated gross yield and estimated net proceeds from each ~~[such]~~ extractive operation for the entire current calendar year and an

estimate of all royalties that will be paid ~~[during]~~ by each extractive operation for the entire current calendar year and shall pay the tax upon ~~the net proceeds~~ mineral extraction and the tax upon ~~the~~ royalties ~~[so estimated]~~ based on the estimates. The estimated payment may be reduced by the amount of any credit to which the taxpayer is entitled pursuant to NRS 362.130. The amount ~~[of]~~ paid for the tax ~~[paid]~~ upon royalties must be deducted from the payment of the royalties ~~[.]~~ to the recipient.

(b) May file with the Department a quarterly report stating an estimate for the year and the actual quarterly amounts of production, gross yield and net proceeds as of March 31, June 30, September 30 and December 31, and pay any additional amount due. The additional estimated tax liability must be calculated by determining the difference between the revised estimates of net proceeds based on the recent production figures as indicated by the quarterly reports and the original estimate supplied pursuant to paragraph (a). If the person chooses to submit such reports, the reports must be submitted on a form prescribed by the Department not later than the last day of the month following the end of the calendar quarter and payment must be made within 30 days after filing any quarterly report that indicates an additional estimated tax liability.

2. The Department shall:

(a) Use the statement filed pursuant to subsection 1 to prepare estimates for use by local governments in the preparation of their budgets; and

(b) Submit those estimates to the affected local governments on or before March 15 of each year.

Sec. 16. NRS 362.115 is hereby amended to read as follows:

362.115 1. In addition to the statement ~~[required by subsection 1 of]~~ filed pursuant to NRS 362.110, each person ~~[extracting any]~~ who engages in mineral ~~[in this State]~~ extraction shall, on or before March 1 of each year, file with the Department a statement showing the estimated gross yield and estimated net proceeds from each ~~[such]~~ extractive operation for the entire current calendar year and an estimate of all royalties that will be paid ~~[during]~~ by each extractive operation for the entire current calendar year.

2. The Department shall:

(a) Use the statement filed pursuant to subsection 1 only to prepare estimates for use by local governments in the preparation of their budgets; and

(b) Submit those estimates to the local governments on or before March 15 of each year.

Sec. 17. NRS 362.120 is hereby amended to read as follows:

362.120 1. The Department shall, from the statement filed pursuant to NRS 362.110 and from all obtainable data, evidence and reports, compute in dollars and cents the gross yield and net proceeds ~~[of]~~ from each extractive operation for the calendar year immediately preceding the year in which the statement is filed.

2. The *computation of the* gross yield must include ~~the value of~~ *without limitation*, any mineral extracted which *during that period*, was:

- (a) Sold;
- (b) Exchanged for anything or service;
- (c) Removed from the State in a form ready for use or sale; or
- (d) Used in a manufacturing process or in providing a service ~~for~~
~~during that period.~~

3. The *computation of the* net proceeds ~~are~~ *must be* ascertained and determined by subtracting from the gross yield the following deductions for costs incurred during that period, and none other:

- (a) The actual cost of extracting the mineral, which is limited to direct costs for activities performed in the State of Nevada.
- (b) The actual cost of transporting the mineral to the place or places of reduction, refining and sale.
- (c) The actual cost of reduction, refining and sale.
- (d) The actual cost of delivering the mineral.
- (e) The actual cost of maintenance and repairs of:
 - (1) All machinery, equipment, apparatus and facilities used in the mine.
 - (2) All milling, refining, smelting and reduction works, plants and facilities.

(3) All facilities and equipment for transportation except those that are under the jurisdiction of the Public Utilities Commission of Nevada or the Nevada Transportation Authority.

(f) Depreciation of the original capitalized cost of the machinery, equipment, apparatus, works, plants and facilities mentioned in paragraph (e). The annual depreciation charge consists of amortization of the original cost in a manner prescribed by regulation of the Nevada Tax Commission. The probable life of the property represented by the original cost must be considered in computing the depreciation charge.

(g) All money paid as contributions or payments under the unemployment compensation law of the State of Nevada, as contained in chapter 612 of NRS, all money paid as contributions under the Social Security Act of the Federal Government, and all money paid to either the State of Nevada or the Federal Government under any amendment to either or both of the statutes mentioned in this paragraph.

(h) The costs of employee travel which occurs within the State of Nevada and which is directly related to mining operations within the State of Nevada.

(i) The costs of Nevada-based corporate services relating to paragraphs (e) to (h), inclusive.

(j) The actual cost of developmental work in or about the mine or upon a group of mines when operated as a unit, which is limited to work that is necessary to the operation of the mine or group of mines.

(k) The costs of reclamation work in the years the reclamation work occurred, including, without limitation, costs associated with the remediation of a site.

(l) All money paid as royalties by a lessee or sublessee of a mine or well, or by both, in determining the net proceeds of the lessee or sublessee, or both.

4. Royalties deducted by a lessee or sublessee constitute part of the net proceeds ~~[of the minerals extracted]~~ *from mineral extraction, and the tax upon [which a tax] royalties* must be levied against the person to whom the ~~[royalty has been]~~ *royalties are paid*.

5. ~~[Every]~~ *Each* person ~~[acquiring]~~ *who acquires any interest in* property in the State of Nevada to engage in ~~[the]~~ *mineral* extraction ~~[of minerals]~~ and who incurs any of the expenses mentioned in subsection 3 shall report those expenses and the recipient of any royalty to the Department on forms provided by the Department. The Department shall report annually to the Mining Oversight and Accountability Commission the expenses and deductions of each mining operation in the State of Nevada.

6. The several deductions mentioned in subsection 3 do not include any expenditures for salaries, or any portion of salaries, of any person not actually engaged in:

- (a) The working of the mine;
- (b) The operating of the mill, smelter or reduction works;
- (c) The operating of the facilities or equipment for transportation;
- (d) Superintending the management of any of those operations;
- (e) The State of Nevada, in office, clerical or engineering work necessary or proper in connection with any of those operations; or
- (f) Nevada-based corporate services.

7. The following expenses are specifically excluded from any deductions from the gross yield:

- (a) The costs of employee housing.
- (b) Except as otherwise provided in paragraph (h) of subsection 3, the costs of employee travel.
- (c) The costs of severing the employment of any employees.
- (d) Any dues paid to a third-party organization or trade association to promote or advertise a product.
- (e) Expenses relating to governmental relations or to compensate a natural person or entity to influence legislative decisions.
- (f) The costs of mineral exploration.
- (g) Any federal, state or local taxes.

8. As used in this section, "Nevada-based corporate services" means corporate services which are performed in the State of Nevada from an office located in this State and which directly support mining operations in this State, including, without limitation, accounting functions relating to mining operations at a mine site in this State such as payroll, accounts payable, production reporting, cost reporting, state and local tax reporting and recordkeeping concerning property.

Sec. 18. NRS 362.120 is hereby amended to read as follows:

362.120 1. The Department shall, from the statement filed pursuant to NRS 362.110 and from all obtainable data, evidence and reports, compute in dollars and cents the gross yield and net proceeds ~~of~~ from each extractive operation for the calendar year immediately preceding the year in which the statement is filed.

2. The computation of the gross yield must include ~~the value of~~ , without limitation, any mineral extracted which, during that period, was:

- (a) Sold;
- (b) Exchanged for anything or service;
- (c) Removed from the State in a form ready for use or sale; or
- (d) Used in a manufacturing process or in providing a service. ~~It~~

3. The computation of the net proceeds ~~are~~ must be ascertained and determined by subtracting from the gross yield the following deductions for costs incurred during that period, and none other:

(a) The actual cost of extracting the mineral, which is limited to direct costs for activities performed in the State of Nevada.

(b) The actual cost of transporting the mineral to the place or places of reduction, refining and sale.

(c) The actual cost of reduction, refining and sale.

(d) The actual cost of delivering the mineral.

(e) The actual cost of maintenance and repairs of:

(1) All machinery, equipment, apparatus and facilities used in the mine.

(2) All milling, refining, smelting and reduction works, plants and facilities.

(3) All facilities and equipment for transportation except those that are under the jurisdiction of the Public Utilities Commission of Nevada or the Nevada Transportation Authority.

(f) Depreciation of the original capitalized cost of the machinery, equipment, apparatus, works, plants and facilities mentioned in paragraph (e). The annual depreciation charge consists of amortization of the original cost in a manner prescribed by regulation of the Nevada Tax Commission. The probable life of the property represented by the original cost must be considered in computing the depreciation charge.

(g) All money expended for premiums for industrial insurance, and the actual cost of hospital and medical attention and accident benefits and group insurance for employees actually engaged in mining operations within the State of Nevada.

(h) All money paid as contributions or payments under the unemployment compensation law of the State of Nevada, as contained in chapter 612 of NRS, all money paid as contributions under the Social Security Act of the Federal Government, and all money paid to either the State of Nevada or the Federal Government under any amendment to either or both of the statutes mentioned in this paragraph.

(i) The costs of employee travel which occurs within the State of Nevada and which is directly related to mining operations within the State of Nevada.

(j) The costs of Nevada-based corporate services relating to paragraphs (e) to (i), inclusive.

(k) The actual cost of developmental work in or about the mine or upon a group of mines when operated as a unit, which is limited to work that is necessary to the operation of the mine or group of mines.

(l) The costs of reclamation work in the years the reclamation work occurred, including, without limitation, costs associated with the remediation of a site.

(m) All money paid as royalties by a lessee or sublessee of a mine or well, or by both, in determining the net proceeds of the lessee or sublessee, or both.

4. Royalties deducted by a lessee or sublessee constitute part of the net proceeds ~~[of the minerals extracted]~~ from mineral extraction, and the tax upon [which a tax] royalties must be levied against the person to whom the ~~[royalty has been]~~ royalties are paid.

5. ~~[Every]~~ Each person ~~[acquiring]~~ who acquires any interest in property in the State of Nevada to engage in ~~[the]~~ mineral extraction ~~[of minerals]~~ and who incurs any of the expenses mentioned in subsection 3 shall report those expenses and the recipient of any royalty to the Department on forms provided by the Department. The Department shall report annually to the Mining Oversight and Accountability Commission the expenses and deductions of each mining operation in the State of Nevada.

6. The several deductions mentioned in subsection 3 do not include any expenditures for salaries, or any portion of salaries, of any person not actually engaged in:

- (a) The working of the mine;
- (b) The operating of the mill, smelter or reduction works;
- (c) The operating of the facilities or equipment for transportation;
- (d) Superintending the management of any of those operations;
- (e) The State of Nevada, in office, clerical or engineering work necessary or proper in connection with any of those operations; or
- (f) Nevada-based corporate services.

7. The following expenses are specifically excluded from any deductions from the gross yield:

- (a) The costs of employee housing.
- (b) Except as otherwise provided in paragraph (i) of subsection 3, the costs of employee travel.
- (c) The costs of severing the employment of any employees.
- (d) Any dues paid to a third-party organization or trade association to promote or advertise a product.
- (e) Expenses relating to governmental relations or to compensate a natural person or entity to influence legislative decisions.
- (f) The costs of mineral exploration.

(g) Any federal, state or local taxes.

8. As used in this section, "Nevada-based corporate services" means corporate services which are performed in the State of Nevada from an office located in this State and which directly support mining operations in this State, including, without limitation, accounting functions relating to mining operations at a mine site in this State such as payroll, accounts payable, production reporting, cost reporting, state and local tax reporting and recordkeeping concerning property.

Sec. 19. NRS 362.130 is hereby amended to read as follows:

362.130 1. When the Department determines from the annual statement filed pursuant to NRS 362.110 the net proceeds ~~[of any minerals extracted,]~~ from mineral extraction, it shall prepare its certificate of the amount of the net proceeds, the amount of the estimated tax paid in the prior calendar year pursuant to paragraph (a) of subsection 1 of NRS 362.115 and any additional payments made pursuant to paragraph (b) of subsection 1 of that section, and the balance of the tax due, if any, and send a copy of the certificate to the owner or operator of the ~~[mine,]~~ extractive operation.

2. The certificate must be prepared and mailed not later than:

(a) April 20 immediately following the month of February during which the annual statement was filed; or

(b) April 30 immediately thereafter if an amended statement is filed in a timely manner.

3. The tax due as indicated in the certificate and any penalty must be paid on or before May 10 of the year in which the certificate is received.

4. If the amount paid pursuant to paragraph (a) of subsection 1 of NRS 362.115 in the prior calendar year is less than 90 percent of the amount certified pursuant to this section, the amount due must include a penalty of 10 percent of the amount by which the tax was underpaid unless:

(a) The amount paid pursuant to paragraph (a) of subsection 1 of NRS 362.115 in the prior calendar year is equal to or greater than the total liability of the operation for the preceding calendar year; or

(b) The person files quarterly reports pursuant to paragraph (b) of subsection 1 of NRS 362.115 in a timely manner for that year and the total of all payments exceeds 90 percent of the amount certified.

5. If an overpayment was made, the overpayment must be credited toward the payment due on March 1 of the next calendar year. If the certificate shows a net loss for the year covered by the certificate or an amount of tax due for that year which is less than an overpayment made for the preceding year, the amount or remaining amount of the overpayment must, after being credited against any amount then due from the taxpayer in accordance with NRS 360.236, be refunded to the taxpayer within 30 days after the certification was sent to the taxpayer.

Sec. 20. NRS 362.130 is hereby amended to read as follows:

362.130 1. When the Department determines from the annual statement filed pursuant to NRS 362.110 the net proceeds ~~[of any minerals extracted,]~~

from mineral extraction, it shall prepare its certificate of the amount of the net proceeds and the tax due and send a copy of the certificate to the owner ~~of the mine,~~ *or operator of the mine or extractive operation and the* recipient of ~~the~~ *any* royalty, as the case may be.

2. The certificate must be prepared and mailed not later than:

(a) April 20 immediately following the month of February during which the annual statement was filed; or

(b) April 30 immediately thereafter if an amended statement is filed in a timely manner.

3. The tax due as indicated in the certificate must be paid on or before May 10 of the year in which the certificate is received.

4. If an overpayment was made, the overpayment must be credited toward the payment due on May 10 of the next calendar year. If the certificate shows a net loss for the year covered by the certificate or an amount of tax due for that year which is less than an overpayment made for the preceding year, the amount or remaining amount of the overpayment must, after being credited against any amount then due from the taxpayer in accordance with NRS 360.236, be refunded to the taxpayer within 30 days after the certification was sent to the taxpayer.

Sec. 21. NRS 362.135 is hereby amended to read as follows:

362.135 1. Any person dissatisfied by any certification ~~for~~ *or taxation* by the Department *pursuant to the provisions of NRS 362.100 to 362.240, inclusive,* may appeal from that determination to the ~~State Board of Equalization. The appeal must be filed within 30 days after the certification is sent to the taxpayer.~~ *Nevada Tax Commission by filing a notice of appeal in accordance with the requirements set forth in NRS 360.245.*

2. Pending determination of the appeal, the person certified as owing the tax shall pay it on or before the date due, and the tax is considered to be paid under protest.

Sec. 22. NRS 362.140 is hereby amended to read as follows:

362.140 1. *There is hereby imposed an excise tax upon mineral extraction by each extractive operation.* Except as otherwise provided in this section, the rate of tax upon ~~the net proceeds of~~ *mineral extraction by each* ~~geographically separate~~ *extractive operation* depends upon the ratio of the net proceeds to the gross proceeds ~~for~~ *from* that operation as a whole, according to the following table:

Net Proceeds as Percentage of Gross Proceeds	Rate of Tax as Percentage of Net Proceeds
Less than 10	2.00
10 or more but less than 18	2.50
18 or more but less than 26	3.00
26 or more but less than 34	3.50
34 or more but less than 42	4.00
42 or more but less than 50	4.50
50 or more	5.00

2. If the combined rate of tax ad valorem ~~[which would be assessed but for the provisions of Section 5 of Article 10 of the Constitution of this state,]~~ including any rate levied by the State of Nevada, ~~[upon]~~ for property at the situs of the extractive operation is more than 2 percent, the minimum rate of tax ~~[under this section equals that]~~ upon mineral extraction by the operation is an amount equal to the combined rate of tax ad valorem ~~[,]~~ multiplied by the net proceeds.

3. There is hereby imposed an excise tax upon royalties. The rate of tax upon royalties is 5 percent ~~[,]~~

4. ~~The~~ , regardless of the rate of tax upon [the net proceeds of] mineral extraction which is imposed on the extractive operation that pays the royalties.

4. If a geothermal operation is taxable pursuant to NRS 362.100 to 362.240, inclusive, the rate of tax upon mineral extraction by the operation is an amount equal to the combined rate of tax ad valorem [applicable to the], including any rate levied by the State of Nevada, for property at the situs of the operation [,]

5. ~~The rate of tax upon]~~ multiplied by the net proceeds.

5. Except as otherwise provided in subsection 4, if an extractive operation extracts minerals for which the net proceeds in a calendar year exceed \$4,000,000, the rate of tax upon mineral extraction by the operation is an amount equal to 5 percent [,] multiplied by the net proceeds.

Sec. 23. NRS 362.150 is hereby amended to read as follows:

362.150 1. ~~Every tax levied under the authority or provisions of NRS 362.100 to 362.240, inclusive, on the proceeds of minerals extracted upon mineral extraction is hereby made a lien on [the]:~~

(a) ~~The mines of the taxpayer from which the minerals are extracted [for sale or reduction, and also on all]; and~~

(b) ~~All machinery, fixtures, equipment and stockpiles of the taxpayer located at the [mine site]~~ mines of the taxpayer or elsewhere in the State.

2. ~~The lien attaches on [the 1st day of] January 1 of each year, for the calendar year commencing on that day, and may not be removed or satisfied until the taxes are all paid [,] or the title to [those] the mines or property of the taxpayer has vested absolutely in a purchaser under a sale for [those] the unpaid taxes.~~

Sec. 24. NRS 362.160 is hereby amended to read as follows:

362.160 1. Except as otherwise provided in NRS 360.232 and 360.320, if the amount of any tax ~~[required by NRS 362.100 to 362.240, inclusive,]~~ upon mineral extraction or royalties is not paid by the taxpayer within 10 days after it is due, it is delinquent and must be collected as other delinquent taxes are collected by law, together with a penalty of 10 percent of the amount of the tax which is owed, as determined by the Department, in addition to the tax, plus interest at the rate of 1 percent per month, or fraction of a month, from the date the tax was due until the date of payment.

2. Any ~~[person extracting any mineral or receiving a royalty]~~ taxpayer against whom a penalty and interest is imposed pursuant to this section may appeal from the imposition of the penalty and interest to the Nevada Tax Commission by filing a notice of appeal in accordance with the requirements set forth in NRS 360.245.

Sec. 25. NRS 362.170 is hereby amended to read as follows:

362.170 1. There is hereby appropriated to each county the total of the amounts obtained by multiplying, for each extractive operation situated within the county, the net proceeds ~~of~~ from that operation and any royalties paid by that operation, as estimated and paid pursuant to NRS 362.115, plus any amounts paid pursuant to NRS 362.130 by the combined rate of tax ad valorem for the fiscal year to which the payments apply, excluding any rate levied by the State of Nevada, for property at ~~[that site]~~ the situs of the operation, plus a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to the county. The Department shall report to the State Controller on or before May 25 of each year the amount appropriated to each county, as calculated for each operation from the estimate provided pursuant to NRS 362.115 for the current calendar year and any adjustments made pursuant to NRS 362.130 for the preceding calendar year. The State Controller shall distribute all money due to a county on or before May 30 of each year. The Department shall report to the State Controller any additional payments made pursuant to paragraph (b) of subsection 1 of NRS 362.115 within 15 days after receipt of the payment, and the State Controller shall distribute the money to the appropriate county within 5 days after receipt of the report from the Department. For the purposes of this subsection, payments made pursuant to paragraph (b) of subsection 1 of NRS 362.115 apply to the fiscal year in which the statement of the estimated net proceeds is filed pursuant to paragraph (a) of subsection 1 of NRS 362.115.

2. The county treasurer shall apportion to each local government or other local entity an amount calculated by:

(a) Determining the total of the amounts obtained by multiplying, for each extractive operation situated within its jurisdiction, the net proceeds ~~of~~ from that operation and any ~~royalty payments~~ royalties paid by that operation, by the rate of tax ad valorem levied on behalf of that local government or other local entity;

(b) Adding to the amount determined pursuant to paragraph (a) a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to that local government or other local entity; and

(c) Subtracting from the amount determined pursuant to paragraph (b) a commission of 5 percent of that amount, of which 3 percent must be deposited in the county general fund and 2 percent must be accounted for separately in the account for the acquisition and improvement of technology in the office of the county assessor created pursuant to NRS 250.085.

3. The amounts apportioned pursuant to subsection 2, including, without limitation, the amount retained by the county ~~and~~, *but* excluding the *county's* percentage commission, must be applied to the uses for which each levy was authorized in the same proportion as the rate of each levy bears to the total rate.

4. The Department shall report to the State Controller on or before May 25 of each year the *total* amount received ~~as~~ *for the benefit of the State of Nevada from the* tax upon ~~the net proceeds of~~ *mineral extraction by geothermal resources operations*, which equals the product of ~~those~~ *the* net proceeds *from those operations* multiplied by the rate of tax ~~levied~~ *ad valorem levied* by the State of Nevada.

Sec. 26. NRS 362.170 is hereby amended to read as follows:

362.170 1. There is hereby appropriated to each county the total of the amounts obtained by multiplying, for each extractive operation situated within the county, the net proceeds ~~of~~ *from* that operation and any royalties paid by that operation, by the combined rate of tax ad valorem, excluding any rate levied by the State of Nevada, for property at ~~that site,~~ *the situs of the operation*, plus a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to the county. The Department shall report to the State Controller on or before May 25 of each year the amount appropriated to each county, as calculated for each operation from the final statement made in February of that year for the preceding calendar year. The State Controller shall distribute all money due to a county on or before May 30 of each year.

2. The county treasurer shall apportion to each local government or other local entity an amount calculated by:

(a) Determining the total of the amounts obtained by multiplying, for each extractive operation situated within its jurisdiction, the net proceeds ~~of~~ *from* that operation and any ~~royalty payments~~ *royalties* paid by that operation, by the rate *of tax ad valorem* levied on behalf of that local government or other local entity;

(b) Adding to the amount determined pursuant to paragraph (a) a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to that local government or *other* local entity; and

(c) Subtracting from the amount determined pursuant to paragraph (b) a commission of 3 percent of that amount which must be deposited in the county general fund.

3. The amounts apportioned pursuant to subsection 2, including, without limitation, the amount retained by the county ~~and~~, *but* excluding the *county's* percentage commission, must be applied to the uses for which each levy was authorized in the same proportion as the rate of each levy bears to the total rate.

4. The Department shall report to the State Controller on or before May 25 of each year the *total* amount received ~~as~~ *for the benefit of the State*

*of Nevada from the tax upon ~~the net proceeds of~~ mineral extraction by geothermal ~~resources~~ operations, which equals the product of ~~those~~ the net proceeds *from those operations* multiplied by the rate of tax ~~levied~~ ad valorem *levied* by the State of Nevada.*

Sec. 27. NRS 362.171 is hereby amended to read as follows:

362.171 1. Each county to which money is appropriated by subsection 1 of NRS 362.170 may set aside a percentage of that appropriation to establish a county fund for mitigation. Money from the fund may be appropriated by the board of county commissioners only to mitigate adverse effects upon the county, or the school district located in the county, which result from:

(a) A decline in the revenue received by the county from the tax ~~on the net proceeds of minerals~~ *upon mineral extraction* during the 2 fiscal years immediately preceding the current fiscal year; or

(b) The opening or closing of an extractive operation from ~~the net proceeds of~~ which revenue has been or is reasonably expected to be ~~derived pursuant to this chapter~~ *received by the county from the tax upon mineral extraction.*

2. Each school district to which money is apportioned by a county pursuant to subsection 2 of NRS 362.170 may set aside a percentage of the amount apportioned to establish a school district fund for mitigation. Except as otherwise provided in subsection 3, money from the fund may be used by the school district only to mitigate adverse effects upon the school district which result from:

(a) A decline in the revenue received by the school district from the tax ~~on the net proceeds of minerals~~ *upon mineral extraction;*

(b) The opening or closing of an extractive operation from ~~the net proceeds of~~ which revenue has been or is reasonably expected to be ~~derived pursuant to this chapter~~ *received by the school district from the tax upon mineral extraction; or*

(c) Expenses incurred by the school district arising from a natural disaster.

3. In addition to the authorized uses for mitigation set forth in subsection 2, a school district in a county whose population is less than 4,500 may, as the board of trustees of the school district determines is necessary, use the money from the fund established pursuant to subsection 2:

(a) To retire bonds issued by the school district or any other outstanding obligations of the school district; and

(b) To continue the instructional programs of the school district or the services and activities that are necessary to support those instructional programs, which would otherwise be reduced or eliminated if not for the provisions of this section.

➔ Before authorizing the expenditure of money pursuant to this subsection, the board of trustees shall hold at least one public hearing on the matter.

Sec. 28. NRS 362.175 is hereby amended to read as follows:

362.175 1. If at any time, in the opinion of the Executive Director, it becomes impossible or impractical to collect any unpaid tax ~~[certified on the proceeds of minerals extracted,]~~ upon mineral extraction or royalties, the Executive Director may apply to the Nevada Tax Commission to have the amount of the unpaid tax and the name of the ~~[person against whom the tax is certified]~~ delinquent taxpayer removed from the tax records of the Department.

2. If the Nevada Tax Commission approves the application, the Department may remove the name and amount from its tax records.

Sec. 29. NRS 362.180 is hereby amended to read as follows:

362.180 In any ~~[suit]~~ action arising ~~[concerning the certification and taxation of the net proceeds of minerals extracted,]~~ pursuant to the provisions of NRS 362.100 to 362.240, inclusive, the burden of proof is upon the taxpayer to show if the taxpayer so alleges or contends, that ~~[the]~~ any certification or taxation by the Department is unjust, improper or otherwise invalid.

Sec. 30. NRS 362.200 is hereby amended to read as follows:

362.200 1. The Department may examine the records of any person ~~[operating or receiving]~~ who engages in mineral extraction or receives royalties from any extractive operation, ~~[in this state.]~~ The records are subject to examination at all times by the Department or its authorized agents and must remain available for examination for a period of 4 years from the date of any entry therein.

2. If the Department examines the records of any person whose gross yield from an extractive operation was \$100,000 or more, as reported to the Department for any annual reporting period during the 4 years immediately preceding the examination ~~[was \$100,000 or more]~~, and the person keeps his or her ~~[books and]~~ records pertaining to that operation or royalties outside this state, the person shall pay an amount per day equal to the amount set by law for out-of-state travel for each day or fraction thereof during which an examiner is actually engaged in examining the ~~[books,]~~ records, plus the actual expenses of that examiner during the time he or she is absent from Carson City, Nevada, for the purpose of making the examination, but the time must not exceed 1 day going to and 1 day coming from the place of examination. No more than one examination may be charged against a person in any 1 fiscal year.

3. The Department may hold hearings and summon and subpoena witnesses to appear and testify upon any subject material to ~~[the determination of the net proceeds of minerals extracted,]~~ any certification or taxation by the Department pursuant to the provisions of NRS 362.100 to 362.240, inclusive. The hearings may be held at any place the Department designates, after not less than 10 days' notice of the time and place of the hearing given in writing to the ~~[owner or operator of the mine.]~~ taxpayer. The ~~[owner or operator]~~ taxpayer is entitled, on request made to the Executive Director, to the issuance of the Department's subpoena requiring witnesses in

behalf of the ~~[owner or operator]~~ taxpayer to appear and testify at such hearing.

4. The failure of a witness to obey the subpoena of the Department subjects the witness to the same penalties prescribed by law for failure to obey a subpoena of a district court.

Sec. 31. NRS 362.230 is hereby amended to read as follows:

362.230 1. ~~[Every]~~ If any person ~~[extracting any]~~ engages in mineral ~~[in this state, or receiving a royalty in connection therewith, who]~~ extraction or receives royalties from any extractive operation and fails to file with the Department ~~[the statements provided for in]~~ a statement required by NRS 362.100 to 362.240, inclusive, during the time and in the manner ~~[provided for in NRS 362.100 to 362.240, inclusive,]~~ required by those sections:

(a) The person shall pay a penalty of not more than \$5,000 ~~[If any such person fails to file the statement, the]~~ for each such violation; and

(b) The Department may ascertain and certify the amount of the gross yield, net proceeds ~~[of the minerals extracted or the value of the royalty]~~ and royalties received from the extractive operation from all data and information obtainable, and the amount of the tax due must be computed on the basis of the ~~[amount due]~~ amounts so ascertained and certified ~~[by the Department]~~.

2. The Executive Director shall determine the amount of the penalty ~~[This]~~ imposed against the person, and the penalty becomes a debt due the State of Nevada ~~[and, upon collection, must be deposited in the State Treasury to the credit of the State General Fund.]~~

3. Any person ~~[extracting any mineral or receiving a royalty]~~ against whom a penalty is imposed pursuant to this section may appeal from the imposition of the penalty to the Nevada Tax Commission by filing a notice of appeal in accordance with the requirements set forth in NRS 360.245.

Sec. 32. NRS 362.240 is hereby amended to read as follows:

362.240 ~~[Any person who]~~

1. If any person verifies under oath to the truthfulness of a statement required by NRS 362.100 to 362.240, inclusive, that is false in any material respect , the person shall ~~[be liable to]~~ pay a penalty of not more than 15 percent of the amount of the tax ~~[as determined by the]~~ due as a result of the violation.

2. The Executive Director ~~[after reasonable notice and hearing]~~ shall determine the amount of the penalty imposed against the person, and the penalty becomes a debt due the State of Nevada.

3. Any person against whom a penalty is imposed pursuant to this section may appeal from the imposition of the penalty to the Nevada Tax Commission by filing a notice of appeal in accordance with the requirements set forth in NRS 360.245.

~~[Sec. 10.]~~ *Sec. 33. NRS 377B.170 is hereby amended to read as follows:*

377B.170 1. In a county whose population is 700,000 or more and in which a water authority exists, the water authority shall enter into an interlocal agreement with a city or town located in the county whose territory is not within the boundaries of the area served by the water authority or with a public entity in the county which provides water or wastewater services and which is not a member of the water authority to provide a distribution from the infrastructure fund of the water authority to the city, town or public entity after the city, town or public entity has filed with the water authority a detailed plan for acquiring, establishing, constructing, improving or equipping, or any combination thereof, a water or wastewater facility.

2. Such a city, town or public entity may request annually from the infrastructure fund of the water authority an amount of the proceeds of the tax for infrastructure received annually by the water authority that is equal to the proportion that the assessed valuation of taxable property within the boundaries of the city or town or the area served by the public entity , except any assessed valuation attributable to the net proceeds ~~of minerals,~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, bears to the total assessed valuation of taxable property within the county ~~++~~ , except any assessed valuation attributable to the net proceeds ~~of minerals,~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive. If the boundaries of such a city or town overlap with the boundaries of a public entity in such a county which provides water or wastewater services and which is not a member of the water authority, the water authority shall apportion equally between the city or town and the public entity the distribution from the infrastructure fund attributable to the assessed valuation in the area where the boundaries overlap.

3. The water authority shall not unreasonably refuse a request from such a city, town or public entity for a distribution from the infrastructure fund pursuant to the provisions of this section.

~~{Sec. 11.}~~ Sec. 34. NRS 349.238 is hereby amended to read as follows:

349.238 1. There must be levied annually a special tax on all property, both real and personal, subject to taxation within the boundaries of the State of Nevada, that is fully sufficient, together with the revenue which will result from application of the rate to the net proceeds ~~of minerals,~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, and without regard to any statutory limitations now or hereafter existing, to pay the interest on the general obligation state securities and to pay and retire the securities as provided in the State Securities Law and in any act supplemental hereto. The amount of money to be raised by the tax must be included in the annual estimate or budget for each county in the state for each year for which the tax

is hereby required to be levied. The tax must be levied and collected in the same manner and at the same time as other taxes are levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the State Treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the Treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment of the interest on the securities and the principal thereof, respectively, when due.

~~[Sec. 12.]~~ Sec. 35. NRS 350.592 is hereby amended to read as follows:

350.592 1. There must be levied annually in due season a special tax on all property, both real and personal, subject to taxation within the boundaries of the municipality, that is fully sufficient, together with the revenue which will result from application of the rate to the net proceeds of ~~from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, and~~ without regard to any statutory or charter tax limitations other than the limitation set forth in NRS 361.453, to pay the interest on the general obligation municipal securities and to pay and retire the securities as provided in the Local Government Securities Law and in any act supplemental hereto. The amount of money to be raised by the tax must be included in the annual estimate or budget for each county within the state for each year for which the tax is hereby required to be levied. The tax must be levied and collected in the same manner and at the same time as other taxes are levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment of the interest on the securities and the principal thereof, respectively, when due; but, except as prevented by any contractual limitations imposed upon the municipality by proceedings appertaining to its outstanding securities, the municipality may provide for a consolidated debt service fund to pay principal of and interest on outstanding securities, when due.

~~[Sec. 13.]~~ Sec. 36. NRS 354.59811 is hereby amended to read as follows:

354.59811 1. Except as otherwise provided in NRS 244.377, 278C.260, 354.59813, 354.59815, 354.59818, 354.5982, 354.5987, 354.705, 354.723, 450.425, 450.760, 540A.265 and 543.600, for each fiscal year beginning on or after July 1, 1989, the maximum amount of money that a local government, except a school district, a district to provide a telephone number for emergencies or a redevelopment agency, may receive from taxes ad valorem, other than ~~those~~ taxes attributable to the net proceeds of

~~minerals or those~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, or taxes levied for the payment of bonded indebtedness and interest thereon incurred as general long-term debt of the issuer, or for the payment of obligations issued to pay the cost of a water project pursuant to NRS 349.950, or for the payment of obligations under a capital lease executed before April 30, 1981, must be calculated as follows:

(a) The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll, together with the assessed valuation of property on the central assessment roll which was allocated to the local government, but excluding any assessed valuation attributable to the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, assessed valuation attributable to a redevelopment area and assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, it will produce 106 percent of the maximum revenue allowable from taxes ad valorem for the preceding fiscal year, except that the rate so determined must not be less than the rate allowed for the previous fiscal year, except for any decrease attributable to the imposition of a tax pursuant to NRS 354.59813 in the previous year.

(b) This rate must then be applied to the total assessed valuation, excluding the assessed valuation attributable to the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, and the assessed valuation of a fire protection district attributable to real property which is transferred from private ownership to public ownership for the purpose of conservation, but including new real property, possessory interests and mobile homes, for the current fiscal year to determine the allowed revenue from taxes ad valorem for the local government.

2. As used in this section, "general long-term debt" does not include debt created for medium-term obligations pursuant to NRS 350.087 to 350.095, inclusive.

~~{Sec. 14.}~~ Sec. 37. NRS 354.59813 is hereby amended to read as follows:

354.59813 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, if the estimate of the revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation pursuant to the provisions of subsection 11 of NRS 360.690 is less than the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to

the provisions of NRS 362.100 to 362.240, inclusive, the governing body of each local government may levy an additional tax ad valorem for operating purposes. The total tax levied by the governing body of a local government pursuant to this section must not exceed a rate calculated to produce revenue equal to the difference between the:

(a) Amount of revenue from supplemental city-county relief tax estimated to be received by the county pursuant to subsection 11 of NRS 360.690; and

(b) The tax that the county would have been estimated to receive if the estimate for the total revenue available from the tax was equal to the amount of money that would be generated by applying a tax rate of \$1.15 per \$100 of assessed valuation to the assessed valuation of the county,

↪ multiplied by the proportion determined for the local government pursuant to subparagraph (2) of paragraph (a) of subsection 4 of NRS 360.690, subparagraph (2) of paragraph (a) of subsection 6 of NRS 360.690 or subparagraph (2) of paragraph (a) of subsection 7 of NRS 360.690, as appropriate.

2. Any additional taxes ad valorem levied as a result of the application of this section must not be included in the base from which the allowed revenue from taxes ad valorem for the next subsequent year is computed.

3. As used in this section, "local government" has the meaning ascribed to it in NRS 360.640.

~~[Sec. 15.]~~ Sec. 38. NRS 354.598747 is hereby amended to read as follows:

354.598747 1. To calculate the amount to be distributed pursuant to the provisions of NRS 360.680 and 360.690 from a county's subaccount in the Local Government Tax Distribution Account to a local government, special district or enterprise district after it assumes the functions of another local government, special district or enterprise district:

(a) Except as otherwise provided in this section, the Executive Director of the Department of Taxation shall:

(1) Add the amounts calculated pursuant to subsection 1 or 2 of NRS 360.680 for each local government, special district or enterprise district and allocate the combined amount to the local government, special district or enterprise district that assumes the functions; and

(2) If applicable, add the average change in population and average change in the assessed valuation of taxable property that would otherwise be allowed to the local government or special district whose functions are assumed, including the assessed valuation attributable to a redevelopment agency ~~for~~ but excluding the portion attributable to the net proceeds of ~~minerals,] [pursuant to]~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, as appropriate under subsection 4, 5, 6 or 7 of NRS 360.690, ~~[as appropriate,]~~ to the average change in population and average change in assessed valuation for the local government, special district or enterprise district that assumes the functions.

(b) If two or more local governments, special districts or enterprise districts assume the functions of another local government, special district or enterprise district, the additional revenue must be divided among the local governments, special districts or enterprise districts that assume the functions on the basis of the proportionate costs of the functions assumed.

➔ The Nevada Tax Commission shall not allow any increase in the allowed revenue from the taxes contained in the county's subaccount in the Local Government Tax Distribution Account if the increase would result in a decrease in revenue of any local government, special district or enterprise district in the county that does not assume those functions. If more than one local government, special district or enterprise district assumes the functions, the Nevada Tax Commission shall determine the appropriate amounts calculated pursuant to subparagraphs (1) and (2) of paragraph (a).

2. If a city disincorporates, the board of county commissioners of the county in which the city is located must determine the amount the unincorporated town created by the disincorporation will receive pursuant to the provisions of NRS 360.600 to 360.740, inclusive.

3. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Special district" has the meaning ascribed to it in NRS 360.650.

~~[Sec. 16.]~~ Sec. 39. NRS 380.130 is hereby amended to read as follows:

380.130 1. Whenever it appears to the board of county commissioners of any county having a law library that for any reason any debt incurred in the purchase and establishment of the library has not been fully paid or materially reduced with the money provided by the provisions of NRS 380.110, within the period of 5 years immediately preceding, the board of county commissioners may, at the next annual tax levy, levy a special tax upon all taxable property within the county, both real and personal, *that is sufficient, together with the revenue which will result from application of the rate to the net proceeds ~~[of minerals.]~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive,* to raise a sum which will discharge any such indebtedness, but no more. The money must be placed in the law library fund in the county treasury and must be used for the payment of the indebtedness and for no other purpose.

2. In lieu of the levy of a special tax as provided in subsection 1, the board of county commissioners of any county having a law library may, in the discretion of the board of county commissioners, transfer from the general funds of the county to the law library fund a sufficient sum of money to pay any debts incurred in the purchase and establishment and maintenance of the library, which has not been fully paid or materially reduced with the money provided by the provisions of NRS 380.110, within the period of 5 years immediately preceding March 1, 1959.

~~[Sec. 17.]~~ Sec. 40. NRS 387.1235 is hereby amended to read as follows:

387.1235 1. Except as otherwise provided in subsection 2, local
~~f Local~~ funds available are the sum of:

(a) ~~f1.~~ The amount of one-third of the tax collected pursuant to subsection 1 of NRS 387.195 for the school district for the concurrent school year; and

(b) ~~f2.~~ The proceeds of the local school support tax imposed by chapter 374 of NRS, excluding any amounts required to be remitted pursuant to NRS 360.850 and 360.855. The Department of Taxation shall furnish an estimate of these proceeds to the Superintendent of Public Instruction on or before July 15 for the fiscal year then begun, and the Superintendent shall adjust the final apportionment of the current school year to reflect any difference between the estimate and actual receipts.

2. The amount of the local funds computed ~~under~~ pursuant to subsection 1 that is ~~attributable to~~ based on any assessed valuation attributable to the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, must be held in reserve and may not be considered as local funds available until the succeeding fiscal year.

~~[Sec. 18.]~~ Sec. 41. NRS 387.195 is hereby amended to read as follows:

387.195 1. Each board of county commissioners shall levy a tax of 75 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools within the county school district.

2. The amount of the tax collected pursuant to subsection 1 that is based on any assessed valuation attributable to the net proceeds ~~of minerals~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, must not be considered as available to pay liabilities of the fiscal year in which the tax is collected but must be deferred for use in the subsequent fiscal year. The annual budget for the school district must only consider as an available source the amount of the tax ~~on the net proceeds of minerals which was~~ collected in the prior fiscal year ~~f1~~ that is based on any assessed valuation attributable to the net proceeds from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive.

3. In addition to any tax levied in accordance with subsection 1, each board of county commissioners shall levy a tax for the payment of interest and redemption of outstanding bonds of the county school district.

4. ~~f3.~~ The tax collected pursuant to subsection 1 and any interest earned from the investment of the proceeds of that tax must be credited to the county's school district fund.

5. ~~f4.~~ The tax collected pursuant to subsection 3 ~~f2~~ and any interest earned from the investment of the proceeds of that tax must be credited to the county school district's debt service fund.

~~[Sec. 19.]~~ Sec. 42. NRS 450.660 is hereby amended to read as follows:

450.660 1. At the time of making the levy of county taxes for that year, each board of trustees shall levy a tax *that is* sufficient ~~, together with the revenue which will result from application of the rate to the net proceeds [of minerals,]~~ *from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive,* to raise the amount so budgeted upon any real and personal property that is subject to taxation within the boundaries of the district. Any tax levied on interstate or intercounty telephone lines, power lines and other public utility lines pursuant to this section must be based upon valuations as established by the Nevada Tax Commission pursuant to the provisions of NRS 361.315 to 361.330, inclusive.

2. When levied, the tax must be:

(a) Entered upon the assessment rolls of each county that is included within the district; and

(b) Collected in the same manner as state and county taxes.

3. When the tax is collected it must be:

(a) Placed in the treasury of the county in which the district hospital is located;

(b) Credited to the current expense fund of the district; and

(c) Used only for the purpose for which it was raised.

~~[Sec. 20.]~~ Sec. 43. NRS 474.190 is hereby amended to read as follows:

474.190 1. Subject to the provisions of subsection 3, the board of directors of each county fire protection district shall prepare annual budgets in accordance with NRS 354.470 to 354.626, inclusive.

2. The budget of a district must be based on estimates of the amount of money that will be needed to defray the expenses of the district and to meet unforeseen emergencies and the amount of a fire protection tax *that is* sufficient ~~, together with the revenue which will result from application of the rate to the net proceeds [of minerals,]~~ *from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive,* to raise such sums.

3. The amount of money to be raised for the purpose of establishing, equipping and maintaining the district with fire-fighting facilities must not in any 1 year exceed 1 percent of the assessed value of the property described in NRS 474.200 ~~and any net proceeds [of minerals derived]~~ *from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, within the boundaries of the district.*

~~[Sec. 21.]~~ Sec. 44. NRS 474.510 is hereby amended to read as follows:

474.510 1. The board of fire commissioners shall prepare an annual budget in accordance with the provisions of NRS 354.470 to 354.626, inclusive, for each district organized in accordance with NRS 474.460.

2. Each budget must be based on estimates of the amount of money which will be needed to defray the expenses of the district and to meet unforeseen emergencies and the amount of a fire protection tax *that is sufficient, together with the revenue which will result from application of the rate to the net proceeds [of minerals,] from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive,* to raise such sums.

3. At the time of making the levy of county taxes for the year, the board of county commissioners shall levy the tax provided by subsection 2, upon all property, both real and personal, subject to taxation within the boundaries of the district. Any tax levied on interstate or intercounty telephone lines, power lines and other public utility lines as authorized in this section must be based upon valuations established by the Nevada Tax Commission pursuant to the provisions of NRS 361.315 to 361.330, inclusive.

4. The amount of tax to be collected for the purposes of this section must not exceed, in any 1 year, 1 percent of the value of the property described in subsection 3 ~~and any net proceeds [of minerals derived] from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, within the boundaries of the district.~~

5. If levied, the tax must be entered upon the assessment roll and collected in the same manner as state and county taxes. Taxes may be paid in four approximately equal installments at the times specified in NRS 361.483, and the same penalties as specified in NRS 361.483 must be added for failure to pay the taxes.

6. For the purposes of NRS 474.460 to 474.540, inclusive, the treasurer of the district shall keep two separate funds for each district, one to be known as the district fire protection operating fund and one to be known as the district emergency fund. The money collected to defray the expenses of any district organized pursuant to NRS 474.460 must be deposited in the district fire protection operating fund, and the money collected to meet unforeseen emergencies must be deposited in the district emergency fund. The district emergency fund must be used solely for emergencies and must not be used for regular operating expenses. The money deposited in the district emergency fund must not exceed the sum of \$1,000,000. Any interest earned on the money in the district emergency fund that causes the balance in that fund to exceed \$1,000,000 must be credited to the district fire protection operating fund.

7. For the purposes of subsection 6, an emergency includes, without limitation, any event that:

(a) Causes widespread or severe damage to property or injury to or the death of persons within the district;

(b) As determined by the district fire chief, requires immediate action to protect the health, safety and welfare of persons who reside within the district; and

(c) Requires the district to provide money to obtain a matching grant from an agency of the Federal Government to repair damage caused by a natural disaster that occurred within the district.

~~[Sec. 22.]~~ *Sec. 45.* NRS 514A.060 is hereby amended to read as follows:

514A.060 Notwithstanding any other provision of law, the Commission shall provide oversight of compliance with Nevada law relating to the activities of each state agency, board, bureau, commission, department or division with respect to the taxation, operation, safety and environmental regulation of mines and mining in this State, including, without limitation, the activities of:

1. The Nevada Tax Commission and the Department of Taxation in the administration of the provisions of NRS 362.100 to 362.240, inclusive, concerning the taxation of the net proceeds of minerals pursuant to chapter 362 of NRS, and Section 5 of Article 10 of the Nevada Constitution, ~~from mineral extraction and royalties.~~

2. The Division of Industrial Relations of the Department of Business and Industry in ~~administering~~ the administration of the provisions of chapter 512 of NRS concerning the safe and healthful working conditions at mines.

3. The Commission on Mineral Resources and the Division of Minerals of the Commission in the administration of the provisions of chapters 513 and 522 of NRS concerning the conduct of mining operations and operations for the production of oil, gas and geothermal energy in the State.

4. The Bureau of Mines and Geology of the State of Nevada in the Public Service Division of the Nevada System of Higher Education in ~~its~~ the administration of the provisions of chapter 514 of NRS.

5. The Division of Environmental Protection of the State Department of Conservation and Natural Resources in ~~its~~ the administration of the provisions of chapter 519A of NRS concerning the reclamation of mined land, areas of exploration and former areas of mining or exploration.

Sec. 46. NRS 514A.110 is hereby amended to read as follows:

514A.110 A permanent regulation adopted by the:

1. Nevada Tax Commission, pursuant to NRS 360.090, concerning any taxation related to the extraction of any mineral in this State, including, without limitation, the taxation of the net proceeds from mineral extraction and royalties pursuant to ~~chapter 362 of NRS and Section 5 of Article 10 of the Nevada Constitution;~~ NRS 362.100 to 362.240, inclusive;

2. Administrator of the Division of Industrial Relations of the Department of Business and Industry for mine health and safety pursuant to NRS 512.131;

3. Commission on Mineral Resources pursuant to NRS 513.063, 513.094 or 519A.290; and

4. State Environmental Commission pursuant to NRS 519A.160,

↪ is not effective unless it is reviewed by the Mining Oversight and Accountability Commission before it is approved pursuant to chapter 233B of NRS by the Legislative Commission or the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067. After conducting its review of the regulation, the Mining Oversight and Accountability Commission shall provide a report of its findings and recommendations regarding the regulation to the Legislative Counsel for submission to the Legislative Commission or the Subcommittee to Review Regulations, as appropriate.

Sec. 47. NRS 522.115 is hereby amended to read as follows:

522.115 1. For purposes of determining the respective rights of the lessor and lessee and the owners of a royalty interest, overriding royalty interest and any other nonworking interest in the money earned from an oil and gas lease or other agreement concerning the sale of the production from an oil or gas well located in this state:

(a) The lessee is liable for all of the costs of production, which must be deducted from the working interest.

(b) The lessor's interest, the mineral owner's royalty interest and the overriding royalty interest must not be decreased by the costs of production.

(c) The following information must be reported with each remittance, unless otherwise reported each month, to the owner of an interest:

(1) The name or number used to identify the lease, property or well;

(2) The month and year during which any sale occurred for which payment is being made;

(3) The total number of barrels of oil or thousands of cubic feet of gas sold;

(4) The price per barrel of oil or the price per thousand cubic feet of gas;

(5) The total amount of state taxes on the net proceeds ~~[of minerals,]~~ from mineral extraction and royalties subject to the excise tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive, taxes ad valorem and other taxes on the production from an oil or gas well, if the payment of those taxes reduces the amount paid to the owner of an interest;

(6) An itemized list of any other deductions or adjustments that reduce the amount paid to the owner of an interest;

(7) The net value of total sales after deductions or adjustments that reduce the amount paid to the owner of an interest;

(8) The percentage share of the owner of an interest in the sales of the production from the oil or gas well, lease or property as expressed by a decimal number;

(9) The share of the total value attributed to the owner of an interest in the sales of the production from the oil or gas well, lease or property before any deductions or adjustments and after any deductions or adjustments; and

(10) A name and an address where the owner of an interest may receive clarification of the information reported pursuant to this paragraph and

additional information concerning the owner's interest. If information is requested by certified mail, an answer must be mailed by certified mail within 30 days after receipt of the request.

2. Any person who fails to report information pursuant to paragraph (c) of subsection 1 is liable to the affected owner of an interest, except for the working interest, in the amount of \$100 for each violation and \$100 for each month that elapses thereafter until the information is provided.

3. As used in this section, the term "costs of production" means all costs incurred for the exploration and development of, primary or enhanced recovery of oil or gas from, and operations associated with the abandonment of, an oil or gas well, including costs associated with the:

- (a) Acquisition of an oil and gas lease;
- (b) Drilling and completion of the well;
- (c) Pumping or lifting, recycling, gathering, compressing, pressurizing, heater treating, dehydrating, separating and storing of oil or gas; and
- (d) Transporting of oil to storage tanks, or gas into the pipeline for delivery.

➡ The term does not include the reasonable and actual direct costs associated with transporting oil from storage tanks to the market, gas from the point of entry into the pipeline to the market or the processing of gas in a processing plant.

~~{Sec. 23.}~~ Sec. 48. NRS ~~{361.075, 362.030, 362.040, 362.050, 362.060, 362.070, 362.090 and 362.095 are}~~ 362.105 is hereby repealed.

Sec. 49. In accordance with Section 6 of Article 10 of the Nevada Constitution and NRS 218D.350, the Legislature hereby finds and declares that each exemption provided by this act from any ad valorem tax on property:

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;

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; and

3. Will cease to be effective on the specific date set forth in section 50 of this act.

~~{Sec. 24.}~~ Sec. 50. ~~{This}~~

1. Except as otherwise provided in this section, this act becomes effective on ~~January 1, 2015, if and~~ November 25, 2014, only if pursuant to Section 1 of Article 16 of the Nevada Constitution, the provisions of Senate Joint Resolution No. 15, which were proposed, agreed to and passed by the 76th Session of the Legislature and published as file number 44, Statutes of Nevada 2011, at page 3871, and which were also agreed to and passed by the

77th Session of the Legislature, are approved and ratified by the voters at the general election on November 4, 2014.

2. If this act becomes effective pursuant to subsection 1:

(a) Sections 13, 15, 19 and 25 of this act become effective on November 25, 2014, only if sections 1, 2, 3 and 5 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at pages 15, 16 and 17, have not expired by limitation on or before that date. If sections 13, 15, 19 and 25 of this act become effective on November 25, 2014, and sections 1, 2, 3 and 5 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at pages 15, 16 and 17, expire by limitation after November 25, 2014, sections 13, 15, 19 and 25 of this act expire by limitation on the day on which sections 1, 2, 3 and 5 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at pages 15, 16 and 17, expire by limitation.

(b) Sections 14, 16, 20 and 26 of this act become effective:

(1) On November 25, 2014, only if sections 13, 15, 19 and 25 of this act do not become effective on November 25, 2014, pursuant to paragraph (a); or

(2) On the day after sections 13, 15, 19 and 25 of this act expire by limitation only if those sections become effective on November 25, 2014, and thereafter expire by limitation pursuant to paragraph (a).

3. If this act becomes effective pursuant to subsection 1:

(a) Section 17 of this act becomes effective on November 25, 2014, only if section 12.7 of chapter 449, Statutes of Nevada 2011, at page 2696, does not become effective on or before that date. If section 17 of this act becomes effective on November 25, 2014, and section 12.7 of chapter 449, Statutes of Nevada 2011, at page 2696, becomes effective after November 25, 2014, section 17 of this act expires by limitation on the day on which section 12.7 of chapter 449, Statutes of Nevada 2011, at page 2696, becomes effective.

(b) Section 18 of this act becomes effective:

(1) On November 25, 2014, only if section 17 of this act does not become effective on November 25, 2014, pursuant to paragraph (a); or

(2) On the day after section 17 of this act expires by limitation only if that section becomes effective on November 25, 2014, and thereafter expires by limitation pursuant to paragraph (a).

4. Sections 2.5 and 2.7 of this act expire by limitation on June 30, 2053.

~~LEADLINES} TEXT OF REPEALED {SECTIONS} SECTION~~

~~361.075 Exemption of unpatented mines and mining claims:~~

~~362.030 County assessor to assess surface of patented mines and mining claims; exceptions:~~

~~362.040 Exclusion of assessment from roll:~~

~~362.050 Affidavit of labor: Requirement for exemption of surface of patented mine or mining claim from taxation; form and contents:~~

~~362.060 Who may make affidavit:~~

~~362.070 Contiguous patented mines or mining claims: Performance of work on one mine:~~

~~362.090 One affidavit may be recorded for labor on several patented mines or mining claims.~~

~~362.095 Method of taxation of patented mine or mining claim used for purpose other than mining or agriculture.]~~

362.105 "Royalty" defined. As used in NRS 362.100 to 362.240, inclusive, unless the context otherwise requires:

1. "Royalty" means a portion of the proceeds from extraction of a mineral which is paid for the privilege of extracting the mineral.

2. "Royalties" do not include:

(a) Rents or other compensatory payments which are fixed and certain in amount and payable periodically over the duration of the lease regardless of the extent of extractions; or

(b) Minimum royalties covering periods when no mineral is extracted if the payments are fixed and certain in amount and payable on a regular periodic basis.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senators Kieckhefer, Hardy and Goicoechea.

SENATOR KIECKHEFER:

Thank you, Mr. President. Amendment No. 938 to Senate Bill No. 400 protects both State and local revenue in the event Senate Joint Resolution No. 15 of the 76th Session is passed by the voters on the General Election ballot in 2014 by deeming what is now the net proceeds and minerals tax as an excise tax on the privilege of conducting that business in our State. It authorizes local governments to tax mining net proceeds based on the current statutory approach at the same rate as their local property tax rate to ensure they remain whole. It also allows the State to levy an excise tax on the gap between that local county rate up to a total rate of 5 percent, which then keeps State coffers whole in the event that Senate Joint Resolution No. 15 of the 76th Session becomes law. It adds some language in the form of a preamble that states intent. It is a necessary amendment to adopt in order to ensure we protect State interests and local government interests, and ensure we protect small mining exploration companies that could be hurt as a result of the passage of Senate Joint Resolution No. 15 of the 76th Session.

SENATOR HARDY:

Thank you, Mr. President. I support the amendment.

SENATOR GOICOECHEA:

Thank you, Mr. President. We clearly need to continue and move forward with Senate Bill No. 400 because of the impacts to our State budget coming forward. I do support the amendment.

Amendment adopted.

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

Senate Bill No. 521.

Bill read third time.

Remarks by Senators Smith, Kieckhefer, Hutchison, Goicoechea, Denis and Hammond.

SENATOR SMITH:

Thank you, Mr. President. Senate Bill No. 521 is the Authorizations Act that is the first of the major budget bills that this Body will be voting on. This bill together with the General Appropriations Act, the school funding bill and the capital improvement projects bill for the

2013-15 Biennium, constitute the major budget bills for the ongoing operation of State government for the next two fiscal years and reflect the culmination of a considerable amount of work by the Senate Committee on Finance and the Assembly Committee on Ways and Means. The bill represents authority for agencies to collect and expend monies other than State General Funds and includes federal funds, gifts, grants, interagency transfers, service fees and other funds. The total authorized funding recommended for approval by the Legislature for ongoing operations is approximately \$12.39 billion for the 2013-15 Biennium, which includes approximately \$531 million in Highway Fund appropriations. The Senate Committee on Finance and the Assembly Committee on Ways and Means met independently and jointly and made numerous changes to the Governor's recommended budget. The money committees worked diligently to mitigate the impact of budget reductions and to ensure essential services provided by the State remain intact.

I am going to highlight the major budget areas so that we have it on the record. My plan is to provide everyone with a copy of this document because it will be good for working from as we go forward.

We pass budgets for elected officials including the Governor's Office of Economic Development. The money committees authorized revenues of \$13.7 million for the Governor's Office of Economic Development, which includes \$5 million for the State Small Business Credit Initiative program and \$4.3 million for the Rural Community Development program.

The Office of the Attorney General was approved for approximately \$21.5 million in mortgage settlement funds. The money committees also approved mortgage settlement funds of \$53.2 million to the Department of Business and Industry to support programs approved by the Attorney General to mitigate the effects of the mortgage and foreclosure crisis in Nevada.

The Controller's Office budget was approved with a small enhancement, as well as the budget of the State Office of Energy, where we eliminated two positions resulting from the expiration of federal grant funds.

In the Department of Administration, the money committees approved \$1.57 million in the 2013-15 Biennium to fund deferred maintenance projects throughout the State in the State Public Works Division. We also approved decreases in inspection fees due to the elimination of six project management and construction inspection positions. That budget ebbs and flows as we have more or less money for statewide construction.

In the Division of Human Resource Management, the money committees approved the Governor's recommendation of \$446,000 in technology investments. In the Division of Enterprise Information Technology Services, the money committees approved \$77.2 million in authorized revenues for the Division of Enterprise Information Technology Services for the 2013-15 Biennium. The money committees approved the Governor's recommendation to begin creating a statewide, consolidated and standardized information technology environment. There was a lot of discussion in the money committees about the need to do a better job consolidating our information technology services. The money committees approved the Governor's recommendations to replace the State's telephone system with a leased system and to outsource the State's email system to a cloud-based provider funded with user-fee revenue totaling \$2.5 million during the Biennium.

In the Department of Taxation, the money committees approved the Governor's recommendation to use tobacco settlement income to fund three positions for better enforcement of the Tobacco Master Settlement Agreement. We just passed the bill yesterday ensuring that the Settlement is based on better enforcement.

In the Department of Education, funding for public schools will be considered separately in the school funding bill, which will come to you later this evening I hope. That bill contains funding for basic support, class-size reduction, full-day kindergarten, teacher and administrator training, teacher incentives, early childhood education, educational technology, career and technical education, adult education and other State education programs. In closing the Department of Education budgets, the money committees approved a total of \$755.9 million in federal revenue authority over the 2013-15 Biennium, which includes federal revenue authority of \$259.3 million for various child nutrition education programs that the money committees approved transferring to the Department of Agriculture. That is a big shift in the State to put childhood nutrition programs somewhere other than the State Department of Education. Finally,

of the total federal revenue authority approved by the money committees, \$287.7 million continues provisions of the federal Elementary and Secondary Education Act.

In closing the budgets of the Nevada System of Higher Education, the money committees approved revenue from all sources totaling \$1.5 billion for the 2013-15 Biennium. Of the total revenues, non-General Fund revenues total \$524.8 million, or 35.1 percent of total funding, and include student registration fees, nonresident tuition, student application fees, federal and county revenues and operating capital investment income. The money committees also adopted the Interim Study Committee's recommendation that non-General Fund revenues should not offset the amount of General Fund appropriations for State-supported operating budgets for the Nevada System of Higher Education. Finally, the money committees approved the recommendation that student fee and tuition revenues should continue to be budgeted in the institutions' State-supported operating budgets for transparency purposes. This is another big shift that allows the campuses to keep their student fees including out-of-state fees.

In Commerce and Industry, for the Department of Tourism and Cultural Affairs, the money committees approved the Commission on Tourism's projected growth in room tax revenue of 3.1 percent in fiscal year 2014 when compared to projected fiscal year 2013 receipts, and 3.0 percent in fiscal year 2015 when compared to projected fiscal year 2014 receipts. In total, the money committees authorized room tax revenue of \$18.1 million in fiscal year 2014 and \$18.6 million in fiscal year 2015.

In closing the budgets for the Division of Museums and History, the money committees approved non-General Fund revenues of \$789,549 in the 2013-15 Biennium to restore staff for the State's seven museums to full-time and increase days of operation. This is really good news for our constituents. This is something we all appreciate.

The money committees approved a room tax transfer of \$200,000 in each fiscal year of the 2013-15 Biennium from the Commission on Tourism to the Nevada Arts Council—another piece of good news. We all hear from the Nevada Arts Council people regularly about how they use our money for a lot of matching grants. We started to add back some of what we had cut over the last few budget cycles. This exceeds the Governor's recommendation by \$75,000 in each fiscal year. Finally, the money committees approved room tax transfers of \$100,000 in each year of the Biennium to fund the Tourism Development account, which provides matching grants to rural communities to improve tourism infrastructure.

In closing the budgets for the Department of Business and Industry, the money committees approved total authorized funding of \$286.7 million in the 2013-15 Biennium, an increase of 15.8 percent (\$39.2 million) when compared to the 2011-13 Biennium's legislatively-approved authorized funding total. The money committees also approved using Mortgage Settlement funds in the amount of approximately \$747,000 to create a four position Consumer Affairs Unit to address consumer-related issues and complaints within the Mortgage Lending, Real Estate and Financial Institution divisions.

In Mortgage Lending, the money committees approved the Governor's recommendation to fund a four-position Mortgage Fraud Enforcement Unit using Mortgage Settlement funds and we reduced operational costs over the 2013-15 Biennium for the Mortgage Fraud Enforcement Unit.

Under the Nevada Home Retention Program, the money committees approved the Governor's recommendation to use Mortgage Settlement funds totaling \$49 million to establish the Nevada Home Retention program. You have probably heard a lot about this from the Attorney General's Office; she has been sending us packets of information about how our constituents may access this help. The department developed a targeted business plan that anticipates using Mortgage Settlement funds in addition to a \$100 million allocation from the U.S. Treasury for a total of \$149 million to help address the shadow market of underwater and delinquent home mortgages susceptible to foreclosure in Nevada.

In Real Estate, the money committees approved using Mortgage Settlement funds in the amount of approximately \$648,000 over the 2013-15 Biennium to restore seven positions to reduce the current backlog of cases under investigation, alleviate the backlog of investigations and document processing.

For the Taxicab Authority, the money committees approved approximately \$1.6 million during the 2013-15 Biennium for the additional needs identified by the Taxicab Authority that

were not included in the Governor's budget, including 7 new positions, 23 replacement vehicles and costs to relocate to a larger office near McCarran International Airport.

In the Division of Insurance, the money committees approved the Governor's recommendations to increase fee revenue from the Fraud Assessment and new fees for determining Network Adequacy and certifying Enrollment Facilitators for the Silver State Health Insurance Exchange.

In the Division of Industrial Relations, the money committees approved the Governor's recommendation for an allocation from the Workers' Compensation and Safety Fund to study Nevada's Medical Fee Schedule. The money committees also approved \$1.4 million to increase salaries by approximately 10 percent, or equivalent to a two-grade adjustment, for 82 classified Safety Specialist positions, 20 classified Industrial Hygienist positions, and 18 supervisor positions, as recommended by the Governor to improve the recruitment and retention of more qualified personnel.

In Gaming, the money committees approved the Governor's recommendation to eliminate 10 FTE positions in the Technology Division, resulting in a General Fund savings of \$532,317 during the 2013-15 Biennium.

In Health and Human Services, we saw a lot of change through a lot of newly available funds. In closing the budgets administered by the Department of Health and Human Services Director's Office, the money committees approved the Healthy Nevada Fund spending plan recommended by the Governor, which allocates tobacco settlement funds totaling \$20 million over the Biennium, including \$1 million for a portion of the costs of the Office of Suicide Prevention. This is very significant considering what our State's suicide rate is. There is also the expectation that they will work with the Veterans' Office to identify what we can do to lower the high veteran suicide rate in the State, including two new positions to support health and wellness programs which were previously federally funded. We also provided \$1 million to support the Nevada 2-1-1 system, as well as \$4.6 million for grants through the Grants Management Unit for food security.

Additionally, the money committees approved the recommended transfer of the Office of Suicide Prevention to the new Division of Public and Behavioral Health.

The money committees approved \$494.2 million for the Aging and Disability Services Division, of which \$252.6 million was authorized in non-General Fund revenue sources. In a major decision, the money committees approved the Governor's recommendation to transfer Developmental Services from the Mental Health and Developmental Services Division and Early Intervention Services from the Health Division to the Aging and Disability Services Division. This includes 608 positions and five budget accounts. There was a great deal of discussion about this move and a lot of heartfelt input; there was very meaningful intent when this decision was made—it was not done lightly; we considered the people who are served by these budgets.

The money committees approved additional funding totaling \$7.2 million, including \$4.8 million in tobacco settlement funding, to increase the monthly caseload for the Autism Treatment Assistance Program from the 137 children approved by the 2011 Legislature to 572 children by the end of FY 2015. I am sure you hear about this from many of your constituents. Jan Crandy and her group, who we are all very familiar with and who we all hear from regularly, have long advocated for this. We also approved the addition of seven new positions to support the caseload increase, which is projected to reduce the wait list by 50 percent. As I am sure you know, this is a population that is growing exponentially and we have not been able to keep up with that growth. However, we have made great strides this time. I would like to thank my colleague from Washoe County for leading the way on that.

The money committees approved tobacco settlement funding totaling approximately \$2.6 million to pilot a Dental Benefit program, which would provide dental insurance and copay assistance to approximately 1,100 Senior Rx and Disability Rx program members. The money committees approved \$5.6 million to provide monthly cash assistance to low income families, who care for relatives with profound or severe mental disabilities in their homes or have children under six years of age with developmental delays.

Based on expected caseload growth, the money committees approved \$5.1 million over the Biennium for 41 new positions at the Desert Regional Center. The money committees approved

10 additional positions at Desert Regional Center's Intermediate Care Facility for the Intellectually Disabled.

In Health Care Financing and Policy, 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 with 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 observation activities within the division. The money committees approved the Governor's recommendation to transfer 25.51 FTE from the Nevada Check Up account to the Department of Health Care Financing and Policy Administration account.

The money committees voted to approve three amendments resulting in a decrease in the transfer from the Intergovernmental Transfer account to the Medicaid account by \$22.8 million. The money committees voted to approve the Federal Medical Assistance Percentage rate, as amended, which increased for fiscal year 2015 by 0.65 percent compared to the rate used in the Executive Budget, resulting in General Fund savings of approximately \$11 million in fiscal year 2015. This is one of those "good news/bad news" budget items: it saves us General Fund monies, but it also means our poverty rate went up; that is why we have the savings.

The money committees also voted to approve the Governor's amended caseload projections for the Medicaid and Nevada Check Up programs, decreasing the projected General Fund appropriation by approximately \$2.8 million in fiscal year 2014 and \$7.7 million in fiscal year 2015.

In the Health Division, the money committees approved the Governor's recommendation to reorganize certain services within the Department of Health and Human Services. As part of the reorganization, mental health services will be transferred from the Division of Mental Health and Developmental Services to the Health Division and the division will become the Division of Public and Behavioral Health. This is another significant move that we had a tremendous amount of discussion about. In closing the public health budgets in the Division of Public and Behavioral Health, the money committees approved total funding of \$196.3 million in fiscal year 2014 and \$197.7 million in fiscal year 2015.

In approving the mental health budgets in the Division of Public and Behavioral Health, the money committees approved the transfer of Early Intervention Services to the Aging and Disability Services Division. As part of the transfer, the money committees reduced indirect cost assessment revenue in the Health Administration budget by \$1.7 million in the 2013-15 Biennium.

In the Maternal Child Health Services account, the money committees approved sufficient revenue and expenditure authority for the State Board of Health to increase the newborn metabolic screenings. This action added \$251,168 in additional fee authority.

Finally, the money committees approved total funding of \$1.4 million in the 2013-15 Biennium for a new online licensing system, which will create a single point of licensing access for health facilities, clinical laboratories, child care facilities, food establishments, dietitians, music therapists, emergency medical services and other entities within the division. This is another good example of how we were able to streamline services, hopefully making it easier for people to do business in the State.

The money committees authorized revenues of \$454.9 million over the 2013-15 Biennium for the Division of Welfare and Supportive Services. The money committees approved reducing Temporary Assistance for Needy Families caseloads for the upcoming Biennium from the caseloads recommended in the Executive Budget, and we approved the Governor's recommendation to authorize \$7.9 million over the Biennium to complete the design, development and implementation of the new eligibility engine system and to support ongoing maintenance and operations costs.

The money committees approved the inclusion of enhanced Medicaid funding offered by the federal government for the division's Field Services and Administration accounts. This enhanced funding increases the federal share of administrative costs related to the eligibility functions performed by the division from 50 percent federal funds and 50 percent General Funds, to 75 percent federal funds and 25 percent General Funds, beginning on October 1, 2013.

Accordingly, the money committees authorized revenues for the Field Services account and the Administration account, combined, totaling \$192.5 million for the 2013-15 Biennium.

Under the Division of Mental Health and Developmental Services, the Governor's recommendation was approved to reorganize programs within the Department of Health and Human Services. The money committees approved the transfer of the Developmental Services accounts to the Aging and Disability Services Division.

The money committees approved total funding of approximately \$647.6 million for the accounts previously assigned to the Division of Mental Health and Developmental Services over the 2013-15 Biennium.

The money committees also approved the Governor's recommendation for Medicaid revenue totaling \$26.8 million over the Biennium and a corresponding decrease in General Fund appropriations resulting from the implementation of the Affordable Care Act and Medicaid expansion.

The money committees authorized tobacco settlement monies totaling \$1.4 million over the Biennium to fund a ten-member Program for Assertive Community Treatment team in Southern Nevada, which is expected to have a caseload of 75 clients. The Program for Assertive Community Treatment is one of the many efforts that was added to the budget to help deal with the mental health issues in Southern Nevada. The Program for Assertive Community Treatment teams work in an interdisciplinary manner to support consumers in living in the community, adhering to their medication program and obtaining employment. The program is designed to keep our mentally ill out of hospitals.

The money committees also authorized tobacco settlement monies totaling \$2.03 million to establish pilot Mental Health Home Visiting programs at both Southern Nevada Adult Mental Health Services and Northern Nevada Adult Mental Health Services. The money committees approved tobacco settlement monies totaling \$3 million over the Biennium to support an additional 10 medium security beds at the Dini-Townsend hospital. Funding will provide for physical improvements to the facility and 20 new positions.

In closing the budgets of the Division of Child and Family Services, the money committees approved non-General Fund revenues totaling \$231.1 million over the 2013-15 Biennium. Funding was approved to support projected caseload increases in foster care and adoption subsidies.

In closing the budgets of the Department of Employment, Training and Rehabilitation, the money committees authorized total non-General Fund revenues of \$374.8 million for the 2013-15 Biennium, which is a decrease of 13.3 percent over the last Biennium.

In Employment Security, the money committees authorized special assessment revenue and expenditure authority totaling \$31.2 million over the Biennium to allow the Employment Security Division to pay accrued interest to the federal government on the Unemployment Insurance Trust Fund loan. This imposes a special interest assessment on employers until the loan is repaid. That is important for you to know because employers will have an increase on their unemployment tax in order to pay for that loan.

The money committees approved \$1.2 million in federal funds and Career Enhancement Program wage assessments over the Biennium for ten new positions in the Employment Security Division account.

In the Department of Motor Vehicles, the money committees approved the Governor's recommendation to continue the redirection of Governmental Services Tax Commissions and Penalty revenues to the General Fund.

The money committees also approved the Governor's recommendation for a new fee for the administration of the International Fuel Tax Agreement decal program.

The money committees approved the Governor's recommendation to transfer costs associated with the License Plate Factory from the department's Central Services budget account to a new License Plate Factory budget and to make the License Plate Factory self-supporting based primarily on revenues collected from a new License Plate fee. This is another big shift in the budget that will result in a completely new way of funding license plates in our State. It also results in a Capital Improvements Program Project for a new building to house the License Plate Factory.

In closing the budgets for the Department of Public Safety, the money committees approved approximately \$409.6 million over the 2013-15 Biennium.

For the Department of Conservation and Natural Resources including the Tahoe Regional Planning Agency, the money committees authorized total funding of \$153.4 million over the 2013-15 Biennium. In the Division of Forestry, the money committees approved the Governor's recommendation to establish a voluntary Wildland Fire Protection Program. The money committees also approved the Governor's recommendation to continue transfers of \$419,021 in each year of the 2013-15 Biennium from the Department of Motor Vehicles Pollution Control account to the Tahoe Regional Planning Agency to support the preservation and improvement of air quality in the Lake Tahoe Basin.

In the Department of Agriculture, there were some big shifts. The money committees approved the Governor's recommendation to transfer the Dairy Commission from the Department of Business and Industry, the Commodity Food Program from the Department of Administration, and the Nutrition Education Programs from the Department of Education to the Department of Agriculture to create a new Food and Nutrition Division. These transfers include \$294.1 million during the 2013-15 Biennium and 38 positions.

For the Department of Transportation, the money committees authorized funding of approximately \$591.3 million in each year of the 2013-15 Biennium to support highway and other capital construction.

In closing the budget for the Department of Wildlife, the money committees approved five new positions to support archery education and bow hunting programs, the Wildlife Health Program, the Native Aquatics Program and expansion of the Geographical Information System mapping program.

The money committees authorized a total of \$470.6 million for fiscal year 2014 and \$480 million for fiscal year 2015 for the Public Employees' Benefits Program. You have heard the bills we have already passed regarding the Public Employees' Benefits Program authorization so I will not go through all of the amounts now.

In the Office of Veterans' Services, we made some significant improvements. Approximately \$34.2 million in authorized revenues were approved for the Office of Veterans' Services, which is an increase of approximately 11.3 percent from the \$30.7 million authorized for the 2011-13 Biennium. The increases are primarily due to a projected increase in client charges revenue collected from or on behalf of Veterans' Home residents and additional reimbursements received from the federal Veterans Administration for care of the Home's veteran residents.

In closing the budget for the Silver State Health Insurance Exchange, the money committees approved the Governor's recommendation to establish fee revenue totaling 14.5 million during the 2013-15 Biennium to build reserves and fund personnel, operating and maintenance for the Exchange beginning on January 1, 2015. The money committees approved the Governor's recommendation to add four new unclassified positions to support the development and implementation of the Exchange.

SENATOR KIECKHEFER:

Thank you, Mr. President. I rise in support of Senate Bill No. 521, commonly known as the Authorizations Act. I would like to thank the Chair of the Senate Committee on Finance for all of her hard work throughout this Session to get this bill together.

I want to point out a couple of key things. First, Nevada has historically received less than what it pays in terms of federal reimbursement when it comes to tax dollars. This bill will, hopefully, help improve that by capturing more federal revenue back into the State of Nevada—revenue that we pay in tax to the federal government. Second, I want to point out the higher-education funding formula. It is a significant improvement for how we finance higher education, allowing institutions to retain their student fees and tuition. That is in this budget bill. It allows the institutions to become entrepreneurial, more effectively manage themselves and guide their own future. That is important. Third, as the Chair of the Senate Committee on Finance also stated, this budget does have significant improvements in the funding of autism services for children, which I am glad to see. I would like to thank all of the members on both the Senate Committee on Finance and the Assembly Committee on Ways and Means who supported that.

This has been a long process, but the outcome is positive. We are making significant improvements for the people of our State.

SENATOR HUTCHISON:

Thank you, Mr. President. I appreciate all of the work that has been done to close out Senate Bill No. 521. Although some expenditures are a challenge for me personally, there are many more that are positive and which will be of great benefit to my constituents and the rest of our State. I want to thank all of my colleagues on the money committees for their hard work. In particular, I thank my colleague from Senate District No. 13 for all of her detailed, hard work. I appreciate the effort that went into this.

SENATOR GOICOECHEA:

Thank you, Mr. President. I rise in support of Senate Bill No. 521. A lot of work went into this, especially by my colleagues. I support the Authorizations Act, and I will continue to “check the cushions” to see if we can find some spare change in the Appropriations Act to keep my Community College whole.

SENATOR DENIS:

Thank you, Mr. President. I want to take the opportunity to thank the Chair of the Senate Committee on Finance for the diligent work she has done to keep us together. To all of the members of the Committee, we have been meeting every day since the beginning of Session. We have made a lot of decisions after looking at so many details. I appreciate all of the hard work. I am in support of Senate Bill No. 521. I look forward to the good things that will be done because of the decisions made that are reflected in this bill.

SENATOR HAMMOND:

Thank you, Mr. President. I rise in support of Senate Bill No. 521. There is a lot in this bill. As my colleague from Southern Nevada said, there is a lot of good in here, even if there are some things I may not agree with. As one of my favorite entertainers, Mr. Robert Goulet, once said, “Sometimes you gotta give a little bit to get a little bit.”

Roll call on Senate Bill No. 521:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 521 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 130.

Bill read third time.

Remarks by Senator Parks.

Thank you, Mr. President. *Nevada Revised Statutes* establishes the Trust Account for the Education of Dependent Children, which is administered by the Board of Regents. To the extent of available funds in the Trust Account, the Board of Regents shall pay registration fees, laboratory fees and expenses for required textbooks and course materials assessed against or incurred by a dependent child of a police officer, firefighter or officer of the Nevada Highway Patrol killed in the line of duty as well as a volunteer ambulance driver or attendant who was killed while engaged as a volunteer driver or attendant. Funds in the Trust Account cover fees and expenses associated with classes taken to satisfy the requirements of an undergraduate degree at an Nevada System of Higher Education institution for dependent children less than 23 years of age.

Assembly Bill No. 130 revises the definition of an eligible dependent child to include the dependent child of a public safety officer killed in the line of duty while eliminating the previous definition. This bill defines “public safety officer” to mean a person serving a public agency in an official capacity, with or without compensation, as a peace officer, firefighter or as a member

of a rescue or emergency medical services crew. The bill is effective upon passage and approval. I hope you will support the bill.

Roll call on Assembly Bill No. 130:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Assembly Bill No. 130 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senator Denis moved that the Senate recess subject to the call of the Chair. Motion carried.

Senate in recess at 5:43 p.m.

SENATE IN SESSION

At 10:50 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Senate Bill No. 522, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

DEBBIE SMITH, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 2, 2013

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bills Nos. 505, 506, 507, 509, 511.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 167, 325, 335, 474.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Benitez-Thompson, Healey and Stewart as a Conference Committee concerning Assembly Bill No. 223.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Daly, Diaz and Livermore as a Conference Committee concerning Assembly Bill No. 339.

MATTHEW BAKER

Assistant Chief Clerk of the Assembly

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 167.

Senator Smith moved that the bill be referred to the Committee on Transportation.

Motion carried.

Assembly Bill No. 325.

Senator Smith moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 335.

Senator Smith moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 474.

Senator Smith moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 505.

Senator Smith moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 506.

Senator Smith moved that the bill be referred to the Committee on Revenue and Economic Development.

Motion carried.

Assembly Bill No. 507.

Senator Smith moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 509.

Senator Smith moved that the bill be referred to the Committee on Legislative Operations and Elections.

Motion carried.

Assembly Bill No. 511.

Senator Smith moved that the bill be referred to the Committee on Finance.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 174.

Bill read third time.

Remarks by Senator Hutchison.

Thank you, Mr. President. Senate Bill No. 174 authorizes the Governor, upon the recommendation of the Nevada Veterans' Services Commission, to require the naming of a State building, park, highway or other property constructed on or after July 1, 2013, after a deceased member of the Armed Forces of the United States who was a resident of Nevada and killed in action during certain periods of war. The bill also creates the Nevada Will Always Remember Veterans Gift Account, the funding in which may only be used to pay for the design, procurement and installation of markers or other signs at the building or property named for a deceased Armed Forces member. Finally, the bill authorizes the Executive Director and the Deputy Executive Director for Veterans' Services to accept donations, gifts and grants of money to be deposited in the Nevada Will Always Remember Veterans Gift Account. This is a great bill. I urge the Body's support.

Roll call on Senate Bill No. 174:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 174 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 391.

Bill read third time.

Remarks by Senators Cegavske, Kieckhefer and Roberson.

SENATOR CEGAVSKE:

Thank you, Mr. President. Senate Bill No. 391 directs the Legislative Commission to appoint a committee to conduct an interim study concerning the governance structure of and funding methods for community colleges in this State. Pursuant to Section 2, the Committee is to be comprised of six Legislators appointed as follows: two appointed by the Speaker of the Assembly; one appointed by the Minority Leader of the Assembly; two appointed by the Majority Leader of the Senate; and one appointed by the Minority Leader of the Senate.

The Committee shall have two appointed subcommittees, the first on the governance and funding of the State's community colleges and the second on academics and workforce alignment. Appointed members of the Governance and Funding Subcommittee shall consist of: three Legislators; one member of the Board of Regents selected by the Chair of the Board of Regents; and one representative of K-12 education appointed by the Superintendent of Public Instruction; two representatives of local governments appointed by the Nevada Association of Counties; one representative of local government appointed by the Nevada League of Cities; and any other members appointed by the Committee Chair.

The Legislative Counsel Bureau and the Nevada System of Higher Education shall provide administrative and technical assistance to the Committee and its subcommittees as requested by the Chair. Senate Bill No. 391 is effective July 1, 2013. This is probably the best piece of legislation this Session.

SENATOR KIECKHEFER:

Thank you, Mr. President. I rise in support of Senate Bill No. 391. I want to commend my colleague from Senate District No. 8 for taking on this issue. We need to ensure our community colleges are aligning with our economic development and educational needs, both in higher education and in K-12. The overall purpose of this bill is to make sure we have found the sweet spots, so to speak, with our community colleges. I encourage passage.

SENATOR ROBERSON:

Thank you, Mr. President. I want to echo my colleague from Senate District No. 16. Congratulations to my colleague from Senate District No. 8. This is a great piece of legislation. We all know we need to change the governance structure of our community colleges. I encourage everyone to vote for this bill.

Roll call on Senate Bill No. 391:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 391 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 400.

Bill read third time.

Remarks by Senators Segerblom, Smith, Settelmeyer and Roberson.

SENATOR SEGERBLOM:

Thank you, Mr. President. I want to thank my colleague from Senate District No. 20 who gave me the idea and the language for Senate Bill No. 400. This bill is designed to make sure that if Senate Joint Resolution No. 15 of the 76th Session passes at the ballot in November of 2014, there will not be any holes—that local governments will still be funded. Elko will still be able to run their school system. Eureka will have the best school system in the State. After that, we will worry about what to do with mining. This is strictly a stop-gap measure to make sure there are not any holes if Senate Joint Resolution No. 15 of the 76th Session passes. I encourage your support.

SENATOR SMITH:

Thank you, Mr. President. I rise in support of Senate Bill No. 400. I want to stress how important this piece of legislation is—we need to have a system in place in the event Senate Joint Resolution No. 15 of the 76th Session does pass. I really cannot say enough about the complexity of this issue that our legal staff addressed with the help of many people from the industry, small and large, and with a lot of input. It was interesting when it all finally came together. The hearing was pretty quiet because so much work had gone into it. I urge your support.

SENATOR SETTELMEYER:

Thank you, Mr. President. I reluctantly rise in support of Senate Bill No. 400. I greatly appreciate all of the parties that came together. If Senate Joint Resolution No. 15 of the 76th Session does pass, it is going to create a hole. I appreciate that this bill will try to bridge that hole. I do not want the counties to have problems.

SENATOR ROBERSON:

Thank you, Mr. President. I have a great deal of respect for my colleague from Senate District No. 17, but on this one he is flat-out wrong. There will not be a hole created in the budget with the passage of Senate Joint Resolution No. 15 of the 76th Session. Senate Joint Resolution No. 15 of the 76th Session is probably the most important single piece of legislation this Body has passed this Session.

I stood to thank my colleague from Senate District No. 3. Please support Senate Bill No. 400.

Roll call on Senate Bill No. 400:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 400 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 522.

Bill read third time.

Remarks Senators Smith, Kieckhefer, Denis and Cegavske.

SENATOR SMITH:

Thank you, Mr. President. Senate Bill No. 522 appropriates \$1.135 billion in the first year and \$1.110 billion in the second year of the 2013-15 Biennium from the State General Fund to the Distributive School Account. In addition, there are \$282.8 million and \$294.2 million of other revenues authorized to be received and expended for the State support of public education in the next Biennium. These other revenues include an annual excise tax on slot machines, sales

tax collected on out-of-state sales, interest earned on the Permanent School Fund, revenue from mineral leases on federal land and room tax revenues from the legislatively-approved 2009 Initiative Petition 1.

The statewide average basic support per pupil increases over the upcoming Biennium from the \$5,374 in the current year to \$5,590 in fiscal year 2014, and \$5,676 in fiscal year 2015. Enrollment is projected to increase slightly by 0.61 percent from a weighted enrollment of 429,718 pupils in fiscal year 2013 to 432,346 pupils in fiscal year 2014 and increase by 0.39 percent to 434,023 pupils in fiscal year 2015.

State funding for special education continues to be allocated on the basis of special education units. Total funding for the units amounts to \$126.9 million. As in the past, 40 of those units will be reserved for the State Board of Education to assign to districts that have unexpected needs and to charter schools.

For continued support of the Class-Size Reduction Program, this bill appropriates \$161.7 million in fiscal year 2014 and \$166.5 million in fiscal year 2015 for salaries and benefits of at least 2,180 teachers hired to reduce pupil-teacher ratios in the first year and 2,194 teachers in the second year of the Biennium. The bill continues the Class-Size Reduction Program in the Distributive School Account, and maintains the separate expenditure category to highlight the program. Funds will be allocated based upon the number of teachers needed in each school district to reach the pupil teacher ratios of 16 to 1 in first and second grades and 19 to 1 in third grade.

The bill continues the flexibility for certain school districts to carry out alternative programs for reducing the ratio of pupils per teacher or to implement remedial programs that have been found to be effective in improving pupil achievement.

This bill appropriates \$30.5 million and \$30.4 million for the first and second years, respectively, for the Other State Education Programs account. Through this account, State General Fund support is provided for Educational Technology, Peer Mediation, Career and Technical Education programs, Local Education Agency Library Books, Public Broadcasting, the National Board Certification program for teachers and counselors and other miscellaneous programs.

The funding for the adult high school diploma programs was approved, with no change in purpose. Of the General Funds appropriated to the Other State Education Programs Account, \$17.8 million and \$18.3 million in the first and second years of the Biennium, respectively, are for the support of courses approved by the Department of Education for an adult standard high school diploma program.

Additionally, the money committees approved the transfer of Early Childhood Education Program funding, with no change in purpose, from a line item in the Distributive School Account to the Other State Education Programs Account. General Fund support for the Early Childhood Education Program totals \$3.3 million in fiscal year 2014 and \$3.2 million in fiscal year 2015 for competitive grants to school districts and community-based organizations.

I am going to ask my colleague from Senate District No. 16 to read the rest of the floor statement on Senate Bill No. 522 into the record.

I would like to say a lot of effort, and a lot of funding, has gone into this education budget. There are some really good items in here. We have been able to fund a few new programs. The most significant thing in this budget is reducing class sizes in kindergarten. With that and the English Language Learner funding we have been talking about, and that will be heard in a different bill, we are making very good progress. We still have a lot to do. I would like to see us move our schools more quickly toward fully-funded Full-Day Kindergarten, but this remains significant funding progress. I am pleased with the priorities that have been funded. I think we will make great strides with what we have here.

SENATOR KIECKHEFER:

Thank you, Mr. President. I would like to point out some of the other appropriations in Senate Bill No. 522. The Other State Education Programs Account also includes General Fund support of \$1.5 million over the 2013-15 Biennium for the continuation and expansion of the Jobs for Americas Graduates Program throughout the State. We heard a lot about this program. We had

some youth who participate in this program visit us, and we got to hear about their success. I think this is a worthy investment.

This bill continues the Account for Programs for Innovation and the Prevention of Remediation with appropriations of \$40.2 million in fiscal year 2014 and \$40.8 million in fiscal year 2015 to continue and to expand the Full-Day Kindergarten program for at-risk schools in Nevada.

Additionally, the bill appropriates \$25.5 million in fiscal year 2014 and \$27.9 million in fiscal year 2015 to implement class-size reduction in kindergarten classrooms statewide for a pupil to teacher ratio of 21 to 1. Of the amounts appropriated, a total of \$14 million over the Biennium will be available to assist school districts with the purchase of portable classrooms needed to implement the new kindergarten class-size reduction program for the 2013-15 Biennium. It is important to point out this is a school-based class size—you won't be seeing any more of the district-wide numbers when it comes to class-size reduction. Under this bill there will be no kindergarten class anywhere in this State with more than 21 students to one teacher.

The bill also appropriates \$8.7 million in fiscal year 2014 and \$8.9 million in fiscal year 2015 for Regional Professional Development programs to train teachers and administrators.

The bill includes General Fund appropriations of \$8.8 million in fiscal year 2014 to fund the cost of retirement credits earned in fiscal year 2013, and \$5.8 million in fiscal year 2015 to fund the cost of retirement credits earned in fiscal year 2014 in the Grant Fund for Incentives for Licensed Educational Personnel.

The bill also temporarily transfers estimated funding of \$131.9 million and \$136.7 million in fiscal year 2014 and fiscal year 2015, respectively, from the State Supplemental School Support Account to the Distributive School Account as a State funding source for the 2013-15 Biennium.

The bill before us today is quite an improvement over what we have been working over the current and previous fiscal years. This is an increase of nearly a half a billion dollars in funding for education. It is about a 7.8 percent increase. Basic support rises by more than \$300 per student over the upcoming Biennium. We have talked about the Jobs For America's Graduates Program which is targeted to help those who are struggling to graduate. As I alluded to earlier, this bill has a \$30 million expansion for Full-Day Kindergarten which is a significant improvement. It also has more than \$50 million for class-size reduction in kindergarten. When you add this to the commitment that this Body has already made for the Teach For America Program to put young, enthusiastic teachers in at-risk schools in urban settings, and as we shall hear in Senate Bill No. 504 from our Majority Leader, just slightly under \$50 million for a comprehensive wrap-around for the English Language Learner Program that will be implemented in schools across our State, we should be proud of what we are doing for education this Session.

We had a debate earlier this Session about where we stood, what we were doing for our kids—I think we should be proud of what we are doing for our kids. These are significant improvements. The young people of this State have a bright future. This is one small piece of it. I think we have a lot to go home and be proud of when we wrap up this Session tomorrow.

SENATOR DENIS:

Thank you, Mr. President. I rise in support of Senate Bill No. 522. As was mentioned, we have spent the last couple of Sessions cutting—the number one thing we always cut is education because it is the largest part of our budget. This bill increases funding for education. As I said earlier in Committee, I am glad that the Governor funded the priorities we have been fighting for. We have worked together this Session. We will see some great things from our kids because we have been able to not cut this time, but restore. There is enthusiasm in the education community for the various things being proposed—and we will hear some more, as was mentioned. I am excited to see the things we are doing for our kids. I urge your support.

SENATOR CEGAVSKE:

Thank you, Mr. President. I rise to support education. I also rise to make sure that the commitment we are making is followed with the commitment that each and every one of those students we are asking to be in these programs have an early childhood specialist, a teacher who is qualified. I cannot say it enough. I have not heard the commitment from this Body yet this Session or in the preceding sessions. We can no longer have short- and long-term substitute

teachers who are not qualified in classroom teaching. I am excited to see Teach For America in here. There are a lot of good things in Senate Bill No. 522. However, I ask this Body that you make sure the qualified teachers are there too. This is my last Session and the one thing I have really strived for is to make sure those teachers who are qualified are in every single classroom. That is what will make the difference. When we talk about drop-out rates, when we have concerns about what kids are learning, the standards, we have to make sure we have qualified teachers.

We as a State need to grow these teachers. When we travel as part of the Education Commission of the States, Governors and Legislators say they are coming to our State to get teachers. We go to them and try to take their teachers too. We have to grow our own. We have to have a commitment from higher education including the community colleges. We have got to make sure we have the mechanism and the courses here that make the teachers good teachers and incentivize them to stay here.

Thank you all for the hard work. There have been many involved in this discussion. I have been watching the Senate Committee on Finance and listening to the accolades given to the many folks who have been working on this bill for the last several months.

SENATOR SMITH:

Thank you, Mr. President. I would like to comment to my colleague from Senate District No. 8. I appreciate all the years of her work on the Senate Committees on Finance and Education in this area. I share the same concern about qualified teachers. We have a hard time recruiting and retaining teachers, especially in our most at-risk schools. The best thing we can do is provide the resources they need that encourage them to stay in those schools. Smaller class sizes, for example, and more services that are available to help the most at-risk and struggling students will be a huge incentive for us to be able to recruit and retain teachers into these at-risk schools and the harder-to-teach areas.

I would never stand and advocate for adding programs and funding for schools and not wanting to have the best teachers in every classroom. It is a goal we all share. We worked hard, last Session, for a new evaluation system and some other provisions that help ensure that. I need to be strong about the fact that this Body, collectively, wants to make sure we have the best teachers in every classroom. We ultimately know that is what will make the difference.

Roll call on Senate Bill No. 522:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Senate Bill No. 522 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The Conference Committee concerning Senate Bill No. 410, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that Amendment No. 775 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 8, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises provisions governing hypodermic devices. (BDR 40-451)"

"AN ACT relating to hypodermic devices; authorizing certain entities to establish a program for the safe distribution and disposal of hypodermic devices and certain other material; requiring the ~~county board of health or district board of health for the county in which a sterile hypodermic device program operates~~ State Board of Health to establish guidelines governing such a program; providing that the possession of a trace amount of a controlled substance is not

a criminal offense in certain circumstances; removing hypodermic devices from the list of paraphernalia that is prohibited for delivery, sale, possession, manufacture or use in this State; providing that hypodermic devices may be sold or furnished without a prescription if not prohibited by federal law in certain circumstances; repealing a provision which makes it a crime to misuse a hypodermic device; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Section 4 of this bill authorizes a governmental entity, a tax-exempt nonprofit corporation, a public health program, a licensed medical facility or a person who has a tax-exempt nonprofit corporation as a fiscal sponsor, to establish a program for the safe distribution and disposal of hypodermic devices. Section 4.5 of this bill requires the ~~county board of health or district board of health for the county in which a sterile hypodermic device program operates~~ State Board of Health to establish guidelines governing such a program. Sections 5-7 of this bill enact provisions governing the operation of a sterile hypodermic device program, including, without limitation, the training of the staff and volunteers of the program and the devices, material and information that a program may provide. Section 8 of this bill provides that the State, any of its political subdivisions and a sterile hypodermic device program and its staff and volunteers are exempt from civil liability relating to the operation of a sterile hypodermic device program. Section 9 of this bill: (1) provides for the confidentiality of any record which is obtained or created in the operation of a sterile hypodermic device program; (2) provides that such records are not discoverable or admissible in criminal proceedings; (3) prohibits the use of records obtained from a sterile hypodermic device program as a basis for initiating a criminal charge, or to substantiate a criminal charge, against a person who participates in the program; and (4) provides that the staff and volunteers of a sterile hypodermic device program cannot be compelled to provide evidence in criminal proceedings concerning information known to the staff member or volunteer through the program.

Existing law prohibits the possession of a controlled substance. (NRS 453.336) Section 11 of this bill provides that a person does not violate this provision if he or she has a trace amount of a controlled substance that is in or on a hypodermic device that was obtained from a sterile hypodermic device program.

Existing law prohibits the delivery, sale, possession or manufacture of certain drug paraphernalia when the person engaging in the act reasonably should know that it will be used for an illegal purpose. (NRS 453.560) Existing law further makes it a felony for a person to deliver drug paraphernalia to a minor who is at least 3 years younger than the person. (NRS 453.562) Section 12 of this bill removes hypodermic devices from the list of items that may be found to constitute drug paraphernalia.

Existing law authorizes the sale of hypodermic devices which are not restricted by federal law to being sold by prescription to be sold without a prescription for certain limited purposes. (NRS 454.480) Section 15 of this bill removes the restrictions so that hypodermic devices may be sold or furnished without a prescription for any purpose so long as the sale of such devices is not restricted by federal law.

Section 16 of this bill repeals a provision which makes it a misdemeanor to use or allow the use of a hypodermic device for a purpose other than that for which it was purchased, because the specific uses were removed in section 15.

WHEREAS, The human immunodeficiency virus, hepatitis and other infectious diseases that may be transmitted through the use of unsterile hypodermic devices such as syringes and needles pose a major health threat in the United States, causing thousands of deaths and millions of dollars in preventable health care costs each year; and

WHEREAS, The lack of availability of sterile hypodermic devices is a major cause of this serious health threat; and

WHEREAS, Hundreds of studies have demonstrated that making sterile hypodermic devices available to persons who inject drugs reduces the spread of infectious disease and does not encourage drug use; and

WHEREAS, The trend among states has been to deregulate the possession, sale and use of hypodermic devices and to make such devices more accessible; and

WHEREAS, Increasing access to sterile hypodermic devices is necessary to control the spread of life-threatening infectious diseases; now, therefore,

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

Section 1. Chapter 439 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.

Sec. 2. *The Legislature hereby declares that the purpose of sections 2 to 10, inclusive, of this act is to enable the use of sterile hypodermic devices and other related material for use among people who inject drugs for the purpose of reducing the intravenous transmission of diseases. The provisions of sections 2 to 10, inclusive, of this act are intended to:*

1. *Ensure the availability and accessibility of sterile hypodermic devices by encouraging distribution of such devices by various means.*
2. *Provide for the effective operation of sterile hypodermic device programs that protect the human rights of people who use such programs.*
3. *Guarantee that sterile hypodermic devices and other sterile injection supplies are not deemed illegal.*
4. *Ensure that sterile hypodermic device programs operate in harmony with law enforcement activities.*

Sec. 3. *As used in sections 2 to 10, inclusive, of this act, "sterile hypodermic device program" or "program" means a program established pursuant to section 4 of this act for the safe distribution and disposal of hypodermic devices.*

Sec. 4. 1. *A governmental entity, a nonprofit corporation that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), a public health program, a medical facility or a person who has a fiscal sponsor that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), may establish a sterile hypodermic device program in this State.*

2. *As used in this section:*

(a) *"Medical facility" has the meaning ascribed to it in NRS 449.0151.*

(b) *"Public health program" has the meaning ascribed to it in NRS 454.00973.*

Sec. 4.5. ~~*The [county board of health or district board of health for the county in which a sterile hypodermic device program operates]*~~ *State Board of Health shall establish guidelines governing the operation of the program which provide for, without limitation:*

1. *The recording of the quantities of hypodermic devices distributed and collected by the program; and*
2. *The procedures for the safe collection and disposal of used hypodermic devices.*

Sec. 5. *A sterile hypodermic device program shall:*

1. *Establish and follow procedures for the safe collection and disposal of used hypodermic devices and other related material pursuant to guidelines established by the ~~county board of health or district board of health for the county in which the program operates]~~ State Board of Health.*

2. *Provide community outreach and educational programs concerning:*

(a) *The safer use of hypodermic devices to avoid disease and infection; and*

(b) *The safe disposal of hypodermic devices.*

3. *Report the quantities of hypodermic devices distributed and collected by the program to the State Board of Health at least semiannually.*

Sec. 6. *All staff and volunteers of a sterile hypodermic device program shall complete training which includes, without limitation, the following information:*

1. *The policies and procedures of the program and relevant regulations, including, without limitation, emergency and safety policies and procedures;*
2. *Legal and law enforcement issues and policies regarding hypodermic devices;*
3. *Overdose prevention, recognition and response;*
4. *The risk of blood-borne diseases that may result from the use of hypodermic devices;*
5. *Methods for preventing the transmission or contraction of blood-borne diseases;*
6. *The dangers of injecting drugs and the manner in which to access treatment;*
7. *Information concerning the human immunodeficiency virus and hepatitis virus and the prevention of the spread of these viruses;*

8. *The safe disposal of hypodermic devices, including, without limitation, procedures concerning accidental needle sticks; and*

9. *Cultural competency, including, without limitation, sensitivity to the needs of children, lesbian, gay, bisexual and transgendered individuals, racial and ethnic minorities, women, sex workers and any other participant population.*

Sec. 7. *A sterile hypodermic device program may provide:*

1. *Sterile hypodermic devices and other related material for safer injection drug use; and*

2. *Information concerning:*

(a) *The risks associated with the use of controlled substances;*

(b) *Drug dependence treatment services and other health services;*

(c) *Support services for people with drug dependence and their families;*

(d) *Methods for preventing the transmission or contraction of blood-borne diseases;*

(e) *Employment and vocational training services and centers; and*

(f) *Legal aid services.*

Sec. 8. *The State, any political subdivision thereof, a sterile hypodermic device program and the staff and volunteers thereof are not subject to civil liability in relation to any act or failure to act in connection with the operation of a sterile hypodermic device program, if the act or failure to act was in good faith for the purpose of executing the provisions of sections 2 to 10, inclusive, of this act, and was not a reckless act or failure to act.*

Sec. 9. 1. *Any record of a person which is created or obtained for use by a sterile hypodermic device program must be kept confidential and:*

(a) *Is not open for public inspection or disclosure;*

(b) *Must not be shared with any other person or entity without the consent of the person to whom the record relates; and*

(c) *Must not be discoverable or admissible during any legal proceeding.*

2. *A record described in subsection 1 must not be used:*

(a) *To initiate or substantiate any criminal charge against a person who participates in the sterile hypodermic device program; or*

(b) *As grounds for conducting any investigation of a person who participates in the sterile hypodermic device program.*

3. *The staff and volunteers of a sterile hypodermic device program shall not be compelled to provide evidence in any criminal proceeding conducted pursuant to the laws of this State concerning any information that was entrusted to them or became known to them through the program.*

4. *The use of any personal information of any person who participates in a sterile hypodermic device program or of the staff or volunteers of the sterile hypodermic device program in research and evaluation must be done in such a manner as to guarantee the anonymity of the person.*

5. *Aggregate data from a sterile hypodermic device program, including, without limitation, demographic information, the number of clients contacted and the types of referrals may be made available to the public.*

Sec. 10. *No person shall be subject to any discrimination in the operation of a sterile hypodermic device program on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, age, political affiliation, disability, national origin, residence, frequency of injection or controlled substance used.*

Sec. 11. NRS 453.336 is hereby amended to read as follows:

453.336 1. ~~[A]~~ *Except as otherwise provided in subsection 5, a person shall not knowingly or intentionally possess a controlled substance, unless the substance was obtained directly from, or pursuant to, a prescription or order of a physician, physician assistant licensed pursuant to chapter 630 or 633 of NRS, dentist, podiatric physician, optometrist, advanced practitioner of nursing or veterinarian while acting in the course of his or her professional practice, or except as otherwise authorized by the provisions of NRS 453.005 to 453.552, inclusive.*

2. *Except as otherwise provided in subsections 3 and 4 and in NRS 453.3363, and unless a greater penalty is provided in NRS 212.160, 453.3385, 453.339 or 453.3395, a person who violates this section shall be punished:*

(a) For the first or second offense, if the controlled substance is listed in schedule I, II, III or IV, for a category E felony as provided in NRS 193.130.

(b) For a third or subsequent offense, if the controlled substance is listed in schedule I, II, III or IV, or if the offender has previously been convicted two or more times in the aggregate of any violation of the law of the United States or of any state, territory or district relating to a controlled substance, for a category D felony as provided in NRS 193.130, and may be further punished by a fine of not more than \$20,000.

(c) For the first offense, if the controlled substance is listed in schedule V, for a category E felony as provided in NRS 193.130.

(d) For a second or subsequent offense, if the controlled substance is listed in schedule V, for a category D felony as provided in NRS 193.130.

3. Unless a greater penalty is provided in NRS 212.160, 453.337 or 453.3385, a person who is convicted of the possession of flunitrazepam or gamma-hydroxybutyrate, or any substance for which flunitrazepam or gamma-hydroxybutyrate is an immediate precursor, is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years.

4. Unless a greater penalty is provided pursuant to NRS 212.160, a person who is convicted of the possession of 1 ounce or less of marijuana:

(a) For the first offense, is guilty of a misdemeanor and shall be:

(1) Punished by a fine of not more than \$600; or

(2) Examined by an approved facility for the treatment of abuse of drugs to determine whether the person is a drug addict and is likely to be rehabilitated through treatment and, if the examination reveals that the person is a drug addict and is likely to be rehabilitated through treatment, assigned to a program of treatment and rehabilitation pursuant to NRS 453.580.

(b) For the second offense, is guilty of a misdemeanor and shall be:

(1) Punished by a fine of not more than \$1,000; or

(2) Assigned to a program of treatment and rehabilitation pursuant to NRS 453.580.

(c) For the third offense, is guilty of a gross misdemeanor and shall be punished as provided in NRS 193.140.

(d) For a fourth or subsequent offense, is guilty of a category E felony and shall be punished as provided in NRS 193.130.

5. *It is not a violation of this section if a person possesses a trace amount of a controlled substance and that trace amount is in or on a hypodermic device obtained from a sterile hypodermic device program pursuant to sections 2 to 10, inclusive, of this act.*

6. As used in this section ~~["controlled"]~~:

(a) "Controlled substance" includes flunitrazepam, gamma-hydroxybutyrate and each substance for which flunitrazepam or gamma-hydroxybutyrate is an immediate precursor.

(b) "Sterile hypodermic device program" has the meaning ascribed to it in section 3 of this act.

Sec. 12. NRS 453.554 is hereby amended to read as follows:

453.554 ~~As~~

1. *Except as otherwise provided in subsection 2, as used in NRS 453.554 to 453.566, inclusive, unless the context otherwise requires, "drug paraphernalia" means all equipment, products and materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, ~~injecting,~~ ingesting, inhaling or otherwise introducing into the human body a controlled substance in violation of this chapter. The term includes, but is not limited to:*

~~1-1~~ (a) Kits used, intended for use, or designed for use in planting, propagating, cultivating, growing or harvesting of any species of plant which is a controlled substance or from which a controlled substance can be derived;

~~2-1~~ (b) Kits used, intended for use, or designed for use in manufacturing, compounding, converting, producing or preparing controlled substances;

~~3-1~~ (c) Isomerization devices used, intended for use, or designed for use in increasing the potency of any species of plant which is a controlled substance;

~~{4-}~~ (d) Testing equipment used, intended for use, or designed for use in identifying, or in analyzing the strength, effectiveness or purity of controlled substances;

~~{5-}~~ (e) Scales and balances used, intended for use, or designed for use in weighing or measuring controlled substances;

~~{6-}~~ (f) Diluents and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, used, intended for use, or designed for use in cutting controlled substances;

~~{7-}~~ (g) Separation gins and sifters used, intended for use, or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining marijuana;

~~{8-}~~ (h) Blenders, bowls, containers, spoons and mixing devices used, intended for use, or designed for use in compounding controlled substances;

~~{9-}~~ (i) Capsules, balloons, envelopes and other containers used, intended for use, or designed for use in packaging small quantities of controlled substances;

~~{10-}~~ (j) Containers and other objects used, intended for use, or designed for use in storing or concealing controlled substances; and

~~{11-}~~ (k) Objects used, intended for use, or designed for use in ingesting, inhaling or otherwise introducing marijuana, cocaine, hashish or hashish oil into the human body, such as:

~~{(a)}~~ (1) Metal, wooden, acrylic, glass, stone, plastic or ceramic pipes with or without screens, permanent screens, hashish heads or punctured metal bowls;

~~{(b)}~~ (2) Water pipes;

~~{(c)}~~ (3) Smoking masks;

~~{(d)}~~ (4) Roach clips, which are objects used to hold burning material, such as a marijuana cigarette, that has become too small or too short to be held in the hand;

~~{(e)}~~ (5) Cocaine spoons and cocaine vials;

~~{(f)}~~ (6) Carburetor pipes and carburetion tubes and devices;

~~{(g)}~~ (7) Chamber pipes;

~~{(h)}~~ (8) Electric pipes;

~~{(i)}~~ (9) Air-driven pipes;

~~{(j)}~~ (10) Chillums;

~~{(k)}~~ (11) Bongs; and

~~{(l)}~~ (12) Ice pipes or chillers.

2. *The term does not include any type of hypodermic syringe, needle, instrument, device or implement intended or capable of being adapted for the purpose of administering drugs by subcutaneous, intramuscular or intravenous injection.*

Sec. 13. NRS 453.560 is hereby amended to read as follows:

453.560 Unless a greater penalty is provided in NRS 212.160, a person who delivers or sells, possesses with the intent to deliver or sell, or manufactures with the intent to deliver or sell any drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, prepare, test, analyze, pack, repack, store, contain, conceal, ~~{inject-}~~ ingest, inhale or otherwise introduce into the human body a controlled substance in violation of this chapter is guilty of a category E felony and shall be punished as provided in NRS 193.130.

Sec. 14. NRS 453.566 is hereby amended to read as follows:

453.566 Any person who uses, or possesses with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, prepare, test, analyze, pack, repack, store, contain, conceal, ~~{inject-}~~ ingest, inhale or otherwise introduce into the human body a controlled substance in violation of this chapter is guilty of a misdemeanor.

Sec. 15. NRS 454.480 is hereby amended to read as follows:

454.480 1. Hypodermic devices which are not restricted by federal law to sale by or on the order of a physician may be sold by a pharmacist, or by a person in a pharmacy under the direction of a pharmacist, on the prescription of a physician, dentist or veterinarian, or of an advanced practitioner of nursing who is a practitioner. Those prescriptions must be filed as required by NRS 639.236, and may be refilled as authorized by the prescriber. Records of refilling must be maintained as required by NRS 639.2393 to 639.2397, inclusive.

2. Hypodermic devices which are not restricted by federal law to sale by or on the order of a physician may be sold *or furnished* without a prescription. ~~{for the following purposes:~~

(a) ~~For use in the treatment of persons having asthma or diabetes.~~

~~(b) For use in injecting intramuscular or subcutaneous medications prescribed by a practitioner for the treatment of human beings.~~

~~(c) For use in an ambulance or by a fire fighting agency for which a permit is held pursuant to NRS 450B.200 or 450B.210.~~

~~(d) For the injection of drugs in animals or poultry.~~

~~(e) For commercial or industrial use or use by jewelers or other merchants having need for those devices in the conduct of their business, or by hobbyists if the seller is satisfied that the device will be used for legitimate purposes.~~

~~(f) For use by funeral directors and embalmers, licensed medical technicians or technologists, or research laboratories.]~~

Sec. 16. NRS 454.520 is hereby repealed.

Sec. 17. This act becomes effective on July 1, 2013.

TEXT OF REPEALED SECTION

454.520 Misuse of hypodermic device; penalty. Any person who has lawfully obtained a hypodermic device, as provided by NRS 454.480 to 454.530, inclusive, and uses, permits or causes, directly or indirectly, such a device to be used for any purpose other than that for which it was purchased is guilty of a misdemeanor.

DAVID PARKS

TICK SEGERBLOM

JOSEPH HARDY

Senate Conference Committee

TERESA BENITEZ-THOMPSON

ANDREW MARTIN

WESLEY DUNCAN

Assembly Conference Committee

Senator Parks moved that the Senate adopt the report of the Conference Committee concerning Senate Bill No. 410.

Motion carried by a constitutional majority.

Mr. President:

The Conference Committee concerning Senate Joint Resolution No. 9, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that Amendment No. 691 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 5, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Urges the Director of the Bureau of Land Management to expedite the process for approving special recreation permits for certain uses of federal public lands in Nevada. (BDR R-1008)"

"SENATE JOINT RESOLUTION—Urging the Director of the Bureau of Land Management to expedite the process for approving special recreation permits for certain uses of federal public lands in Nevada."

WHEREAS, Outdoor recreation in Nevada generates \$14.9 billion in consumer spending annually, creates 148,000 jobs and generates \$4.8 billion in wages and salaries and \$1 billion in state and local tax revenue; and

WHEREAS, Nevada has an abundance of federal public lands suitable for outdoor recreation that are managed by the Bureau of Land Management of the United States Department of the Interior; and

WHEREAS, Operators of outdoor recreation-related businesses are required to apply to the Bureau of Land Management for special recreation permits for commercial and competitive uses of those public lands; and

~~WHEREAS, Federal public lands in Nevada should be managed in a manner that preserves the environment; and~~

~~WHEREAS,~~ The Bureau of Land Management has adopted regulations, 43 C.F.R. Part 2930, Subpart 2932, which set forth the procedure for applying for a special recreation permit; and

WHEREAS, The processing of special recreation permits by the Bureau of Land Management is often slow; and

WHEREAS, The slow processing of special recreation permits by the Bureau of Land Management deters outdoor recreation-related businesses from operating effectively and profitably; and

WHEREAS, Expedited processing of special recreation permits by the Bureau of Land Management would serve to create additional jobs for Nevadans and generate additional state and local tax revenue; now, therefore, be it

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That the Nevada Legislature hereby urges:

1. The Director of the Bureau of Land Management to expedite the process of approving special recreation permits for commercial and competitive uses of federal public lands in Nevada for nonmotorized events;

2. The Director of the Bureau of Land Management to amend the provisions of 43 C.F.R. Part 2930, Subpart 2932, to further expedite the process of approving those special recreation permits; and

3. The Nevada Congressional Delegation to use its best efforts to encourage the Director of the Bureau of Land Management to expedite the process of approving those special recreation permits and to make any necessary amendments to the provisions of 43 C.F.R. Part 2930, Subpart 2932; and be it further

RESOLVED, That the Secretary of the Senate prepare and transmit a copy of this resolution to the Secretary of the Interior, the Director of the Bureau of Land Management and each member of the Nevada Congressional Delegation; and be it further

RESOLVED, That this resolution becomes effective upon passage.

JUSTIN JONES

MARK MANENDO

PETE GOICOECHEA

Senate Conference Committee

DAVID BOBZIEN

RICHARD CARRILLO

TOM GRADY

Assembly Conference Committee

Senator Jones moved that the Senate adopt the report of the Conference Committee concerning Senate Joint Resolution No. 9.

Motion carried by a constitutional majority.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Smith moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 11:25 p.m.

SENATE IN SESSION

At 11:49 p.m.

President Krolicki presiding.

Quorum present.

Senator Smith moved that Assembly Bills Nos. 288, 338, 423, 424, 472, 473, 488, 491, 502, be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 224, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which was re-referred Senate Bills Nos. 322, 357, 475, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DEBBIE SMITH, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

By the Committee on Transportation:

Senate Concurrent Resolution No. 12—Requesting the return to the Senate from the Governor's office of Senate Bill No. 508 of this Session.

Senator Smith moved to adopt the resolution.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

GENERAL FILE AND THIRD READING

Senate Bill No. 322.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 953.

"SUMMARY—Revises provisions concerning the membership of the Board of Directors of the Department of Transportation. (BDR 35-1075)"

"AN ACT relating to the Department of Transportation; revising the ~~[number of members on]~~ composition of the Board of Directors of the Department; revising provisions relating to the appointment of persons to the Board; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law provides for a seven-member Board of Directors that administers the Department of Transportation. (NRS 408.106) The Board includes the Governor, the Lieutenant Governor, the Attorney General and the State Controller, all of whom serve ex officio, and three members who are appointed by the Governor, who must be residents of the State of Nevada and who must each reside in a different highway district. ~~[Section 1 of this bill enlarges the Board to 11 members, all of whom are to be appointed by the Governor. Eight of the Board members must reside in a county whose population is 700,000 or more (currently only Clark County), two must reside in a county whose population is 400,000 or more but less than 700,000 (currently only Washoe County) and one must reside in a county whose population is less than 400,000 (currently all counties except Clark and Washoe Counties). Section 1 also limits a member's service on the Board to an initial term and one additional term of 4 years. Section 2 of this bill requires the Board to alternate the location of its meetings between the southern part of the State and the northern part of the State. Section 3 of this bill provides that the terms of the current members of the Board expire on December 31, 2013, and requires the Governor to appoint 11 new members to the Board on or before January 1, 2014, with staggered initial terms whereby 6 of the new members will serve an initial term of 4 years, and 5 of the new members will serve an initial term of 5 years.] This bill: (1) removes from the Board the Attorney General; (2) adds an additional member who~~

must be appointed by the Governor; and (3) requires that the members appointed by the Governor reside in certain highway districts.

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

Section 1. NRS 408.106 is hereby amended to read as follows:

408.106 1. There is hereby created a Department of Transportation, administered by a seven-member ~~an 11 member~~ Board of Directors consisting of the Governor, the Lieutenant Governor, ~~the Attorney General~~ and the State Controller, who serve ex officio, and ~~three~~ four members who are appointed by the Governor. If one of the ~~four~~ three constitutional offices is vacant, the Secretary of State shall serve ex officio on the Board until the vacancy is filled.

2. The Governor shall appoint as members of the Board ~~three~~ ~~11~~ four persons who are residents of Nevada, informed on and interested in the construction and maintenance of highways and other matters relating to transportation. ~~Each of the three~~ ~~each chosen by the Governor from a separate list of three persons submitted to the Governor by the Legislative Commission.~~ The members so appointed must ~~reside in a different highway district and~~ be residents of Nevada as follows:

(a) ~~Eight members who must reside in a county whose population is 700,000 or more, including:~~

~~(1) Two members who must reside in the unincorporated area of the county;~~

~~(2) Two members who reside in the largest incorporated city of the county; and~~

~~(3) One member, who resides in the county, from each of the four next largest incorporated cities in the county;~~ a highway district that includes a county whose population is 700,000 or more;

~~(b) Two members~~ One member who must reside in a highway district that includes a county whose population is ~~400,000~~ 100,000 or more but less than 700,000; and

~~(c) One member who must reside in a county whose population is less than 400,000;~~ a highway district that does not include a county whose population is 100,000 or more.

3. All the members appointed pursuant to subsection 2 must be informed on and interested in the construction and maintenance of highways and other matters relating to transportation, and must possess at least one of the following qualifications:

(a) Knowledge of engineering evidenced by the possession of a bachelor of science degree in civil or structural engineering and licensure in this State as a professional engineer.

(b) Demonstrated expertise in financial matters and business administration.

(c) Demonstrated expertise in the business of construction evidenced by the possession of a license as a general contractor and experience as a principal officer of a firm licensed in this State.

➡ The Governor shall not appoint *to the Board* any person who is currently employed in the field of or has a substantial financial interest in the construction or maintenance of highways in this State.

~~{3.}~~ 4. The Governor shall serve as the Chair of the Board and the members of the Board shall elect annually a ~~Chair and a~~ Vice Chair.

~~{4.}~~ 5. Each member of the Board who is not a public officer is entitled to receive as compensation \$80 for each day or portion of a day during which the member attends a meeting of the Board or is otherwise engaged in the business of the Board plus the per diem allowance and travel expenses provided for state officers and employees generally.

~~{5.}~~ 6. After the initial terms, the appointed members of the Board shall serve terms of 4 years. ~~{Each member of the Board may serve only an initial term and 1 additional term of 1 years.}~~

7. As used in this section, "highway district" means a portion of this State designated by the Board as a highway district for the purposes of carrying out the duties of the Board.

Sec. 2. ~~{NRS 408.126 is hereby amended to read as follows: 408.126 [The]~~

~~1. Except as otherwise provided in subsection 2, the Board shall hold meetings at such times and places, and for such periods and purposes, as it deems essential to the proper execution of the provisions of this chapter.~~

~~2. The Board shall alternate the location of its meetings between the southern part of the State and the northern part of the State.}~~ (Deleted by amendment.)

Sec. 3. ~~{1. The term of any member of the Board of Directors of the Department of Transportation who is serving on December 31, 2013, expires on that date.~~

~~2. On or before January 1, 2014, the Governor shall appoint to the Board of Directors:~~

~~(a) Six members to terms that expire on December 31, 2017, four of whom must reside in a county whose population is 700,000 or more, one of whom must reside in a county whose population is more than 400,000 but less than 700,000 and one of whom must reside in a county whose population is less than 400,000; and~~

~~(b) Five members to terms that expire on December 31, 2018, four of whom must reside in a county whose population is 700,000 or more and one of whom must reside in a county whose population is more than 400,000 but less than 700,000.}~~ (Deleted by amendment.)

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

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

Thank you, Mr. President. Amendment No. 953 to Senate Bill No. 322 amends the revisions to the Nevada Department of Transportation's Board of Directors. In the new version, it will substitute the Attorney General for an additional appointment from southern Nevada.

Amendment adopted.

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

Senate Bill No. 357.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 954.

"SUMMARY—Provides for tax credits for certain business entities. (BDR ~~[57-478])~~ 18-478)"

"AN ACT relating to economic development; enacting the Nevada New Markets Jobs Act which provides for tax credits for certain business entities; authorizing the ~~[Executive]~~ Director of the ~~[Office of Economic Development]~~ Department of Business and Industry to adopt regulations; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Sections 2-27 of this bill enact the Nevada New Markets Jobs Act. Specifically, section 14 of this bill, in conjunction with section 27.1 of this bill, allows certain business entities to receive a credit against the premium tax imposed on insurance companies in exchange for investing in a qualified community development entity.

Section 16 sets forth the application procedures, which include the payment of certain fees, ~~[that]~~ which must be followed by a qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits. ~~[must follow]~~ Section 16 also sets forth certain requirements that the ~~[Office of Economic Development]~~ Department of Business and Industry must follow when determining whether to approve or disapprove such an application.

~~§ Section 17 provides for the recapture of tax credits allowed pursuant to the provisions of this bill if three conditions are met, namely: (1) any amount of the federal tax credit available with respect to a qualified equity investment is recaptured; (2) the issuer redeems or makes repayment with respect to a qualified equity investment before the seventh anniversary of the issuance of the qualified equity investment; and (3) the issuer fails to invest an amount equal to 85 percent of the purchase price of the qualified equity investment in qualified low income community investments in this State within 12 months after the issuance of the qualified equity investment and maintain that level of investment for a specified period. Section 17 also includes an exception from recapture for an investment that has been sold or repaid if the issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another~~

~~qualified low income community investment within 12 months after the receipt of such capital.]~~

Section 17 sets forth certain conditions under which the tax credits allowed pursuant to the provisions of this bill must be recaptured. Section 18 provides that the recapture provisions of section 17 are subject to a 6-month cure period. Section 18 also prohibits any recapture until the qualified community development entity has been given notice of noncompliance and afforded 6 months after the date of notice to cure the noncompliance.

Section 19 sets forth: (1) the amount of the performance fee that a qualified community development entity must include with an application made to the ~~{Office}~~ Department pursuant to section 16; and (2) the procedure for obtaining a refund of such a fee.

Section 20 requires the ~~{Office}~~ Department to issue letter rulings regarding the tax credit program authorized by this bill and sets forth the procedures for issuing those letter rulings.

Section 22 sets forth the requirements for decertifying a qualified equity investment.

Section 24 authorizes the ~~{Executive}~~ Director of the ~~{Office}~~ Department to adopt regulations to carry out the provisions of this bill.

Sections 25-27 set forth certain further requirements for a long-term debt security, a qualified active low-income community business and a qualified community development entity.

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

Section 1. Title ~~[57]~~ 18 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 27, inclusive, of this act.

Sec. 2. *The provisions of this chapter may be cited as the Nevada New Markets Jobs Act.*

Sec. 2.5. *The Legislature hereby finds and declares that:*

1. The purpose of this chapter is to provide community development and economic stimulation, particularly to distressed areas of this State;

2. All qualified community development entities, including, without limitation, minority-owned community development entities and those that have not entered into an allocation agreement with the Community Development Financial Institutions Fund of the United States Department of the Treasury, need to be involved in community development efforts; and

3. To maximize the benefit of this chapter, qualified community development entities that have entered into such allocation agreements are encouraged to work with all groups that are involved in community development in distressed areas, including, without limitation, minority-owned qualified community development entities, community development entities that have not entered into such allocation agreements and other Nevada-based entities that engage in community development.

Sec. 3. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 4 to 13, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *"Applicable percentage" means 0 percent for the first two credit allowance dates, 12 percent for the next three credit allowance dates and 11 percent for the next two credit allowance dates.*

Sec. 5. *"Credit allowance date" means, with respect to any qualified equity investment:*

1. *The date on which the investment is initially made; and*
2. *Each of the six anniversary dates immediately following the date on which the investment is initially made.*

Sec. 5.3. *"Department" means the Department of Business and Industry.*

Sec. 5.7. *"Director" means the Director of the Department.*

Sec. 6. *"Liability for insurance premium tax" means any liability incurred by any entity under NRS 680A.330 or 680B.025 to 680B.039, inclusive, or, if the tax liability under NRS 680A.330 or 680B.025 to 680B.039, inclusive, is eliminated or reduced, any tax liability to the Department of Taxation that is imposed on an insurance company or other person who had that tax liability under the laws of this State before the elimination or reduction of that tax liability.*

Sec. 7. *"Long-term debt security" means any debt instrument which qualifies as such pursuant to section 25 of this act.*

Sec. 8. ~~*"Office" means the Office of Economic Development.*~~ (Deleted by amendment.)

Sec. 9. *"Purchase price" means the amount paid to the issuer of a qualified equity investment for the qualified equity investment.*

Sec. 10. *"Qualified active low-income community business" has the meaning ascribed to it in section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D, and 26 C.F.R. § 1.45D-1, but is limited to those businesses specified in section 26 of this act.*

Sec. 11. *"Qualified community development entity" has the meaning ascribed to it in section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D, but is limited to such an entity specified in section 27 of this act.*

Sec. 12. 1. *"Qualified equity investment" means any equity investment in, or long-term debt security issued by, a qualified community development entity that:*

~~*(a)*~~ *Except as otherwise provided in this section, is acquired after the effective date of this act solely in exchange for cash at the original issuance of the equity investment;*

~~*(b)*~~ *Has at least 85 percent of the cash purchase price of the equity investment used by the issuer to make qualified low-income community investments in qualified active low-income community businesses located in this State by the first anniversary of the initial credit allowance date; and*

~~{3.}~~ (c) Is designated by the issuer as a qualified equity investment under this section and is certified by the ~~{Office}~~ Department as ~~{not exceeding}~~ ~~complying with the {limitation}~~ limitations contained in subsection 5 of section 16 of this act.

~~{4.}~~

2. The term includes an investment that does not meet the requirements of subsection 1 if the investment was a qualified equity investment in the possession or control of a prior holder.

Sec. 13. "Qualified low-income community investment" means any capital or equity investment in, or loan to, any qualified active low-income community business.

Sec. 14. An entity that makes a qualified equity investment earns a vested right to credit against the entity's liability for insurance premium tax on a premium tax report filed pursuant to NRS 680B.030 that may be used as follows:

1. On each credit allowance date of the qualified equity investment, the entity, or the subsequent holder of the qualified equity investment, is entitled to use a portion of the credit during the taxable year that includes the credit allowance date.

2. The credit amount is equal to the applicable percentage for the credit allowance date multiplied by the purchase price paid to the issuer of the qualified equity investment.

3. Except as otherwise provided in subsection 4, the amount of the credit claimed by an entity must not exceed the amount of the entity's liability for insurance premium tax for the tax year for which the credit is claimed.

4. If the insurance premium tax is eliminated or reduced below the level that was in effect on the first credit allowance date, the entity is entitled to a credit against any other taxes paid to the Department of Taxation in an amount equal to the difference between the amount the entity would have been able to claim against its insurance premium tax liability had the tax not been eliminated or reduced and the amount the entity was actually able to claim, if any.

➤ Any amount of tax credit that the entity is prohibited from claiming in a taxable year as a result of subsection 3 or 4 may be carried forward for use in any subsequent taxable year.

Sec. 15. No tax credit claimed under this chapter may be refunded or sold on the open market. Tax credits earned by a partnership, limited-liability company, S corporation or other similar pass-through entity may be allocated to the partners, members or shareholders of such an entity for their direct use in accordance with the provisions of any agreement among such partners, members or shareholders. Such an allocation is not considered a sale for the purpose of this chapter.

Sec. 15.5. 1. An insurer or an affiliate of an insurer may not:

(a) Manage a qualified community development entity; or

(b) Control the direction of equity investments for a qualified community development entity.

2. The provisions of subsection 1 apply to any entity described in subsection 1 regardless of whether the entity does business in this State.

3. This section does not preclude an entity described in subsection 1 from exercising legal rights or remedies, including the interim management of a qualified community development entity, with respect to a qualified community development entity that is in default of any statutory or contractual obligations to the entity described in subsection 1.

4. This chapter does not limit the amount of nonvoting equity interests in a qualified community development entity that an entity described in subsection 1 may own.

5. For the purposes of this section:

(a) "Affiliate of an insurer" has the meaning ascribed to the term "affiliate" in NRS 692C.030.

(b) "Insurer" has the meaning ascribed to it in NRS 679A.100.

Sec. 16. 1. A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under this chapter must apply to the ~~Office~~ Department for that designation. An application submitted by a qualified community development entity must include the following:

(a) Evidence of the applicant's certification as a qualified community development entity ~~, including evidence that the service area of the entity includes this State.~~

(b) A copy of an allocation agreement executed by the applicant, or its controlling entity, and the Community Development Financial Institutions Fund of the United States Department of the Treasury ~~for~~ which includes the State of Nevada in the service area set forth in the allocation agreement.

(c) A certificate executed by an executive officer of the applicant:

(1) Attesting that the allocation agreement remains in effect and has not been revoked or cancelled by the Community Development Financial Institutions Fund; and

(2) Setting forth the cumulative amount of allocations awarded to the applicant by the Community Development Financial Institutions Fund.

(d) A description of the proposed amount, structure and purchaser of the qualified equity investment.

(e) If known at the time of application, identifying information for any entity that will use the tax credits earned as a result of the issuance of the qualified equity investment.

(f) Examples of the types of qualified active low-income businesses in which the applicant, its controlling entity or the affiliates of its controlling entity have invested under the federal New Markets Tax Credit Program. An applicant is not required to identify the qualified active low-income community businesses in which it will invest when submitting an application.

(g) *A nonrefundable application fee of \$5,000. This fee must be paid to the ~~{Office}~~ Department and is required for each application submitted.*

(h) *The refundable performance fee required by subsection 1 of section 19 of this act.*

2. *Within 30 days after receipt of a completed application containing the information set forth in subsection 1, including the payment of the application fee and the refundable performance fee, the ~~{Office}~~ Department shall grant or deny the application in full or in part. If the ~~{Office}~~ Department denies any part of the application, it shall inform the qualified community development entity of the grounds for the denial. If the qualified community development entity provides any additional information required by the ~~{Office}~~ Department or otherwise completes its application within 15 days after the date of the notice of denial, the application must be considered complete as of the original date of submission. If the qualified community development entity fails to provide the information or complete its application within the 15-day period, the application remains denied and must be resubmitted in full with a new date of submission.*

3. *If the application is complete, the ~~{Office}~~ Department shall certify the proposed equity investment or long-term debt security as a qualified equity investment that is eligible for tax credits under this chapter, subject to the limitations contained in subsection 5. The ~~{Office}~~ Department shall provide written notice of the certification to the qualified community development entity. The notice must include the names of those entities who ~~earned~~ will earn the credits and their respective credit amounts. If the names of the entities that are eligible to use the credits change as the result of a transfer of a qualified equity investment or an allocation pursuant to section 15 of this act, the qualified community development entity shall notify the ~~{Office}~~ Department of the change.*

4. *The ~~{Office}~~ Department shall certify qualified equity investments in the order applications are received by the ~~{Office}~~ Department. Applications received on the same day shall be deemed to have been received simultaneously. For applications that are complete and received on the same day, the ~~{Office}~~ Department shall certify, consistent with remaining qualified equity investment capacity, the qualified equity investments in proportionate percentages based upon the ratio that the amount of qualified equity investment requested in an application bears to the total amount of qualified equity investments requested in all applications received on the same day.*

5. *The ~~{Office}~~ shall Department:*

(a) *Shall certify ~~[\$250,000,000]~~ \$200,000,000 in qualified equity investments ~~+~~:*

(b) *Shall not certify any single qualified equity investment of less than \$5,000,000; and*

(c) Shall not certify more than a total of \$50,000,000 in qualified equity investments to any single applicant, including all affiliates and partners of the applicant which are qualified community development entities.

➡ If a pending request cannot be fully certified because of ~~[this limit]~~ these limits, the ~~[Office]~~ Department shall certify the portion that may be certified unless the qualified community development entity elects to withdraw its request rather than receive partial certification.

6. An approved applicant may transfer all or a portion of its certified qualified equity investment authority to its controlling entity or any ~~[subsidiary qualified community development entity]~~ affiliate or partner of the controlling entity ~~+~~ which is also a qualified community development entity, if the applicant provided the information required in the application with respect to the transferee and the applicant notifies the ~~[Office]~~ Department of the transfer within 30 days after the transfer.

7. Within 30 days after the applicant receives notice of certification, the qualified community development entity or any transferee pursuant to subsection 6 shall issue the qualified entity investment and receive cash in the amount certified by the ~~[Office]~~ Department. The qualified community development entity or transferee under subsection 6 must provide the ~~[Office]~~ Department with evidence of the receipt of the cash investment within 10 business days after receipt. If the qualified community development entity or any transferee under subsection 6 does not receive the cash investment and issue the qualified equity investment within 30 days after receipt of the notice of certification, the certification lapses and the entity may not issue the qualified equity investment without reapplying to the ~~[Office]~~ Department for certification. Lapsed certifications revert back to the ~~[Office]~~ Department and must be reissued, first, pro rata to other applicants whose qualified equity investment allocations were reduced pursuant to subsection 4 and, thereafter, in accordance with requirements for submitting the application.

Sec. 16.5. 1. A qualified community development entity which issues qualified equity investments under this chapter shall make qualified low-income community investments in businesses located in severely distressed census tracts, on a combined basis with all of its affiliated qualified community development entities that have issued qualified equity investments under this chapter, in an amount equal to at least 30 percent of the purchase price of all qualified equity investments issued by such entities.

2. The Director may reduce the requirement in subsection 1 to 20 percent if the qualified community development entity uses its commercially reasonable best efforts to satisfy the requirements of subsection 1 and fails to do so within 9 months after its initial credit allowance date.

3. As used in this section, "severely distressed census tract" means a census tract that, in the immediately preceding census, had:

(a) More than 30 percent of households with a household income below the federally designated level signifying poverty;

(b) A median household income of less than 60 percent of the median household income in this State; or

(c) A rate of unemployment that was equal to or greater than 150 percent of the national average.

Sec. 17. Except as otherwise provided in section 18 of this act, the ~~{Office}~~ Department shall recapture, from the entity that claimed the credit on a return, the tax credit allowed under this chapter if:

1. Any amount of a federal tax credit available with respect to a qualified equity investment that is eligible for a credit under this chapter is recaptured under section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D. In such a case, the ~~{Office's}~~ Department's recapture must be proportionate to the federal recapture with respect to the qualified equity investment.

2. The issuer redeems or makes principal repayment with respect to a qualified equity investment before the seventh anniversary of the issuance of the qualified equity investment. In such a case, the ~~{Office's}~~ Department's recapture must be proportionate to the amount of the redemption or repayment with respect to the qualified equity investment.

3. The issuer fails to invest an amount equal to 85 percent of the purchase price of the qualified equity investment in qualified low-income community investments in this State within 12 months after the issuance of the qualified equity investment and maintain at least an 85-percent level of investment in qualified low-income community investments in the State until the last credit allowance date for the qualified equity investment. For the purposes of this chapter, an investment shall be deemed held by an issuer even if the investment has been sold or repaid if the issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another qualified low-income community investment within 12 months after the receipt of such capital. An issuer is not required to reinvest capital returned from qualified low-income community investments after the earlier of:

(a) The sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment; or

(b) The date by which a qualified community development entity has made qualified low-income community investments with the proceeds of the qualified equity investment on a cumulative basis equal to at least 150 percent of those proceeds, in which case the qualified low-income community investment must be considered held by the issuer through the seventh anniversary of the qualified equity investment's issuance.

4. At any time before the final credit allowance date of a qualified equity investment, the issuer uses the cash proceeds of the qualified equity investment to make qualified low-income community investments in any one qualified active low-income community business, including affiliated

qualified active low-income community businesses, exclusive of reinvestments of capital returned or repaid with respect to earlier investments in the qualified active low-income community business and its affiliates, in excess of 25 percent of those cash proceeds.

Sec. 18. Enforcement of each of the recapture provisions set forth in section 17 of this act is subject to a 6-month cure period. No recapture may occur until the qualified community development entity has been given notice of noncompliance and afforded 6 months after the date of the notice to cure the noncompliance.

Sec. 19. 1. A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under this chapter must pay a fee in the amount of 0.5 percent of the amount of the equity investment or long-term debt security requested to be designated as a qualified equity investment to the ~~Office~~ Department. The fee must be deposited in the New Markets Performance Guarantee Account, which is hereby created in the State General Fund. The entity forfeits the fee in its entirety if:

(a) The qualified community development entity and its ~~subsidiary~~ affiliates and partners which are also qualified community development entities fail to issue the total amount of qualified equity investments certified by the ~~Office~~ Department and receive cash in the total amount certified pursuant to subsection 3 of section 16 of this act; or

(b) The qualified community development entity or any ~~subsidiary~~ affiliate or partner which is also a qualified community development entity that issues a qualified equity investment certified under this chapter fails to meet the investment requirement specified in subsection 3 of section 17 of this act by the second credit allowance date of the qualified equity investment. Forfeiture of the fee under this paragraph is subject to the 6-month cure period established pursuant to section 18 of this act.

2. The fee required pursuant to subsection 1 must be paid to the ~~Office~~ Department and held in the New Markets Performance Guarantee Account until such time as compliance with the provisions of subsection 1 has been established. The qualified community development entity may request a refund of the fee from the ~~Office~~ Department no sooner than 30 days after having met all the requirements of subsection 1. The ~~Office~~ Department shall refund the fee within 30 days after such a request or being given notice of noncompliance.

Sec. 20. 1. The ~~Office~~ Department shall issue letter rulings regarding the tax credit program authorized under this chapter, subject to the terms and conditions set forth in this section.

2. The ~~Office~~ Department shall respond to a request for a letter ruling within 60 days after receipt of the request. The applicant may provide a draft letter ruling for the ~~Office's~~ Department's consideration. The applicant may withdraw the request for a letter ruling, in writing, before the issuance

of the letter ruling. The ~~{Office}~~ Department may refuse to issue a letter ruling for good cause, but must list the specific reasons for refusing to issue the letter ruling. Good cause includes, but is not limited to:

(a) The applicant requests the ~~{Office}~~ Department to determine whether a statute is constitutional or a regulation is lawful;

(b) The request involves a hypothetical situation or alternative plans;

(c) The facts or issues presented in the request are unclear, overbroad, insufficient or otherwise inappropriate as a basis upon which to issue a letter ruling; and

(d) The issue is currently being considered in a rulemaking procedure, contested case, or other agency or judicial proceeding that may definitively resolve the issue.

3. Letter rulings bind the ~~{Office}~~ Department and the ~~{Office's}~~ Department's agents and their successors until such time as the entity or its shareholders, members or partners, as applicable, claim all the covered tax credits on a tax return or report, subject to the terms and conditions set forth in any regulations adopted by the ~~{Executive}~~ Director ~~for the Office~~ pursuant to section 24 of this act. A letter ruling applies only to the applicant.

4. In rendering letter rulings and making other determinations under this chapter, to the extent applicable, the ~~{Office}~~ Department of Business and Industry and the Department of Taxation shall look for guidance to section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D, and the rules and regulations issued thereunder.

5. For the purposes of this section, "letter ruling" means a written interpretation of law to a specific set of facts provided by the applicant requesting the ruling.

Sec. 21. 1. An entity claiming a credit under this chapter is not required to pay any additional retaliatory tax levied pursuant to NRS 680A.330 as a result of claiming that credit.

2. In addition to the exclusion in subsection 1, an entity claiming a credit under this chapter is not required to pay any other additional tax as a result of claiming that credit.

Sec. 22. 1. Once certified under subsection 3 of section 16 of this act, a qualified equity investment may not be decertified unless all the requirements of subsection 2 have been met. Until all qualified equity investments issued by a qualified community development entity are decertified under this section, the qualified community development entity is not entitled to distribute to its equity holders or make cash payments on long-term debt securities that have been designated as qualified equity investments in an amount that exceeds the sum of:

(a) The cumulative operating income, as defined by regulations adopted under section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D, earned by the qualified community development entity since issuance of the qualified equity investment, before giving effect to any interest expense from

the ~~payment of interest on~~ long-term debt securities designated as qualified equity investments; and

(b) Fifty percent of the purchase price of the qualified equity investments issued by the qualified community development entity.

2. To be decertified, a qualified equity investment must:

(a) Be beyond its seventh credit allowance date;

(b) Have been in compliance with section 17 of this act through its seventh credit allowance date, including coming into compliance during any cure period allowed pursuant to section 18 of this act; and

(c) Have had its proceeds invested in qualified active low-income community investments such that the total qualified active low-income community investments made, cumulatively including reinvestments, exceeds 150 percent of its qualified equity investment.

3. A qualified community development entity that seeks to have a qualified equity investment decertified pursuant to this section must send notice to the ~~Office~~ Department of its request for decertification together with evidence supporting the request. The provisions of paragraph (b) of subsection 2 shall be deemed to be met if no recapture action has been commenced by the ~~Office~~ Department as of the seventh credit allowance date. The ~~Office~~ Department shall respond to such a request within 30 days after receiving the request. Such a request must not be unreasonably denied. If the request is denied for any reason, the burden of proof is on the ~~Office~~ Department in any subsequent administrative or legal proceeding.

Sec. 23. A qualified community development entity is not entitled to pay to any affiliate of the qualified community development entity any fees in connection with any activity under this chapter before decertification pursuant to section 22 of this act of all qualified equity investments issued by the qualified community development entity. This section does not prohibit a qualified community development entity from allocating or distributing income earned by it to such affiliates or paying reasonable interest on amounts loaned to the qualified community development entity by those affiliates.

Sec. 23.5. 1. The Director shall conduct an annual review of each qualified community development entity that has been granted an application for a qualified equity investment pursuant to section 16 of this act to ensure that:

(a) The qualified community development entity remains in compliance with the provisions of this chapter and any regulations adopted pursuant thereto; and

(b) Any qualified equity investment certified pursuant to section 16 of this act meets the eligibility criteria prescribed in this chapter and any regulations adopted pursuant thereto.

2. On June 30 of each even-numbered year, the Director shall submit a report to the Director of the Legislative Counsel Bureau for transmittal to

the Legislature. The report must include, for each qualified equity investment certified pursuant to section 16 of this act:

(a) Information on the impact of the qualified equity investment on the economy of this State, including, without limitation, the number of jobs created by the qualified equity investment; and

(b) Proof that the qualified community development entity responsible for the qualified equity investment is in compliance with the provisions of this chapter and any regulations adopted pursuant thereto.

Sec. 24. ~~The [Executive] Director [of the Office]~~ may adopt regulations to carry out the provisions of this chapter.

Sec. 25. To qualify as long-term debt security, a debt instrument must be issued by a qualified community development entity, at par value or a premium, with an original maturity date of at least 7 years after the date of its issuance, with no acceleration of repayment, amortization or prepayment features before its original maturity date. The qualified community development entity that issues the debt instrument must not make interest payments in the form of cash on the debt instrument during the period beginning on the date of issuance and ending on the final credit allowance date in an amount that exceeds the cumulative operating income, as defined by regulations adopted under section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D, of the qualified community development entity for that period before giving effect to the interest expense of ~~those cash interest payments.~~ the long-term debt security. This section does not limit the holder's ability to accelerate payments on the debt instrument in situations in which the issuer has defaulted on covenants designed to ensure compliance with this chapter or section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D.

Sec. 26. 1. For the purpose of section 10 of this act, a qualified active low-income community business is limited to those businesses meeting the Small Business Administration size eligibility standards established in 13 C.F.R. §§ 121.101 to 201, inclusive, at the time the qualified low-income community investment is made. A business must be considered a qualified active low-income community business for the duration of the qualified community development entity's investment in, or loan to, the business if the entity reasonably expects, at the time it makes the investment or loan, that the business will continue to satisfy the requirements for being a qualified active low-income community business, other than the Small Business Administration size standards, throughout the entire period of the investment or loan.

2. Except as otherwise provided in this ~~section,~~ subsection, the businesses limited by this section do not include any business that derives or projects to derive 15 percent or more of its annual revenue from the rental or sale of real estate. This exclusion does not apply to a business that is controlled by, or under common control with, another business if the second business:

~~11.1~~ (a) Does not derive or project to derive 15 percent or more of its annual revenue from the rental or sale of real estate; and

~~11.2~~ (b) Is the primary tenant of the real estate leased from the first business.

3. The following businesses are not qualified active low-income community businesses:

(a) A business that has received an abatement from taxation pursuant to NRS 274.310, 274.320, 274.330 or 360.750.

(b) An entity that has liability for insurance premium tax on a premium tax report filed pursuant to NRS 680B.030.

(c) A business engaged in banking or lending.

(d) A massage parlor.

(e) A bath house.

(f) A tanning salon.

(g) A country club.

(h) A business operating under a nonrestricted license for gaming issued pursuant to NRS 463.170.

(i) A liquor store.

(j) A golf course.

Sec. 27. For the purpose of section 11 of this act, a qualified community development entity is limited to an entity that has entered into, for the current year or any prior year, an allocation agreement with the Community Development Financial Institutions Fund of the United States Department of the Treasury with respect to credits authorized by section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D, which includes the State of Nevada within the service area set forth in the allocation agreement. Such an entity also includes any ~~subsidiary~~:

1. Affiliated qualified community development entities of any such qualified community development entity ~~11.1~~; and

2. Partners of any such qualified community development entity which are also qualified community development entities, regardless of whether any such partner has entered into an allocation agreement with the Community Development Financial Institutions Fund of the United States Department of the Treasury with respect to credits authorized by section 45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D.

Sec. 27.1. Chapter 680B of NRS is hereby amended by adding thereto a new section to read as follows:

Each insurer that makes a qualified equity investment, as defined in section 12 of this act, or is allocated a credit pursuant to section 15 of this act is entitled to a credit against the premium tax in the manner provided in section 14 of this act.

Sec. 27.2. NRS 680B.025 is hereby amended to read as follows:

680B.025 For the purposes of NRS 680B.025 to 680B.039, inclusive ~~11.1~~, and section 27.1 of this act:

1. "Total income derived from direct premiums written":

(a) Does not include premiums written or considerations received from life insurance policies or annuity contracts issued in connection with the funding of a pension, annuity or profit-sharing plan qualified or exempt pursuant to sections 401, 403, 404, 408, 457 or 501 of the United States Internal Revenue Code as renumbered from time to time.

(b) Does not include payments received by an insurer from the Secretary of Health and Human Services pursuant to a contract entered into pursuant to section 1876 of the Social Security Act, 42 U.S.C. § 1395mm.

(c) As to title insurance, consists of the total amount charged by the company for the sale of policies of title insurance.

2. Money accepted by a life insurer pursuant to an agreement which provides for an accumulation of money to purchase annuities at future dates may be considered as "total income derived from direct premiums written" either upon receipt or upon the actual application of the money to the purchase of annuities, but any interest credited to money accumulated while under the latter alternative must also be included in "total income derived from direct premiums written," and any money taxed upon receipt, including any interest later credited thereto, is not subject to taxation upon the purchase of annuities. Each life insurer shall signify on its return covering premiums for the calendar year 1971 or for the first calendar year it transacts business in this State, whichever is later, its election between those two alternatives. Thereafter an insurer shall not change his or her election without the consent of the Commissioner. Any such money taxed as "total income derived from direct premiums written" is, in the event of withdrawal of the money before its actual application to the purchase of annuities, eligible to be included as "return premiums" pursuant to the provisions of NRS 680B.030.

Sec. 27.3. NRS 680B.039 is hereby amended to read as follows:

680B.039 Any insurer that fails to file the report or pay the tax as required by NRS 680B.025 to 680B.039, inclusive, *and section 27.1 of this act*, within the time for filing and payment as provided in those sections shall in addition to any other applicable penalty pay a penalty of not more than 10 percent of the amount of the tax which is owed, as determined by the Department of Taxation, in addition to the tax, plus interest at the rate of 1.5 percent per month, or fraction of a month, from the date on which the tax should have been paid until the date of payment.

Sec. 27.4. NRS 680B.0395 is hereby amended to read as follows:

680B.0395 An insurer who holds a certificate of authority as a reinsurer is exempt from the requirements of NRS 680B.025 to 680B.039, inclusive ~~and~~ *and section 27.1 of this act.*

Sec. 27.5. NRS 680B.050 is hereby amended to read as follows:

680B.050 1. Except as otherwise provided in this section, a domestic or foreign insurer which owns and substantially occupies and uses any building in this state as its home office or as a regional home office is entitled to the following credits against the tax otherwise imposed by NRS 680B.027:

(a) An amount equal to 50 percent of the aggregate amount of the tax as determined under NRS 680B.025 to 680B.039, inclusive ~~and~~ and section 27.1 of this act; and

(b) An amount equal to the full amount of ad valorem taxes paid by the insurer during the calendar year next preceding the filing of the report required by NRS 680B.030, upon the home office or regional home office together with the land, as reasonably required for the convenient use of the office, upon which the home office or regional home office is situated.

➔ These credits must not reduce the amount of tax payable to less than 20 percent of the tax otherwise payable by the insurer under NRS 680B.027.

2. As used in this section, a "regional home office" means an office of the insurer performing for an area covering two or more states, with a minimum of 25 employees on its office staff, the supervision, underwriting, issuing and servicing of the insurance business of the insurer.

3. The insurer shall, on or before March 15 of each year, furnish proof to the satisfaction of the Executive Director of the Department of Taxation, on forms furnished by or acceptable to the Executive Director, as to its entitlement to the tax reduction provided for in this section. A determination of the Executive Director of the Department of Taxation pursuant to this section is not binding upon the Commissioner for the purposes of NRS 682A.240.

4. An insurer is not entitled to the credits provided in this section unless:

(a) The insurer owned the property upon which the reduction is based for the entire year for which the reduction is claimed; and

(b) The insurer occupied at least 70 percent of the usable space in the building to transact insurance or the insurer is a general or limited partner and occupies 100 percent of its ownership interest in the building.

5. If two or more insurers under common ownership or management and control jointly own in equal interest, and jointly occupy and use such a home office or regional home office in this state for the conduct and administration of their respective insurance businesses as provided in this section, each of the insurers is entitled to the credits provided for by this section if otherwise qualified therefor under this section.

Sec. 27.6. NRS 682A.080 is hereby amended to read as follows:

682A.080 1. An insurer may invest any of its funds in obligations other than those eligible for investment under NRS 682A.230, relating to real property mortgages, if they are issued, assumed or guaranteed by any solvent institution and are qualified under any of the following:

(a) Obligations which are secured by adequate collateral security and bear fixed interest if, during each of any 3, including the last 2, of the 5 fiscal years next preceding the date of acquisition by the insurer, the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges, as defined in NRS 682A.090, have been not less than 1 1/2 times the total of its fixed charges for that year. In determining the adequacy of collateral security, not more than one-third of the total value of the required

collateral may consist of stock other than stock meeting the requirements of NRS 682A.100, relating to preferred or guaranteed stock.

(b) Fixed interest-bearing obligations, other than those described in paragraph (a), if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of 5 fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than 1 1/2 times its average annual fixed charges applicable to that period and if, during the last year of that period, the net earnings have been not less than 1 1/2 times its fixed charges for that year.

(c) Adjustment, income or other contingent interest obligations if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of 5 fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than 1 1/2 times the sum of its average annual fixed charges and its average annual maximum contingent interest applicable to such period and if, during each of the last 2 years of that period, the net earnings have not been less than 1 1/2 times the sum of its fixed charges and maximum contingent interest for such year.

(d) Capital stock and other securities of:

(1) A state development corporation organized under the provisions of chapter 670 of NRS.

(2) A corporation for economic revitalization and diversification organized under the provisions of chapter 670A of NRS, if the insurer is a member of the corporation, and to the extent of its loan limit established under NRS 670A.200.

(3) A qualified community development entity as defined in section 11 of this act, and to the extent in compliance with the investment limitations established pursuant to section 16 of this act.

2. No insurer may invest in any such bonds or evidences of indebtedness in excess of 10 percent of any issue of such bonds or evidences of indebtedness or, subject to subsection 1 of NRS 682A.050, relating to diversification, more than an amount equal to 10 percent of the insurer's admitted assets in any issue.

Sec. 27.7. NRS 695C.055 is hereby amended to read as follows:

695C.055 1. The provisions of NRS 449.465, 679A.200, 679B.700, subsections 2, 4, 18, 19 and 32 of NRS 680B.010, NRS 680B.020 to 680B.060, inclusive, and section 27.1 of this act, and chapters 686A and 695G of NRS apply to a health maintenance organization.

2. For the purposes of subsection 1, unless the context requires that a provision apply only to insurers, any reference in those sections to "insurer" must be replaced by "health maintenance organization."

Sec. 27.8. NRS 695F.090 is hereby amended to read as follows:

695F.090 Prepaid limited health service organizations are subject to the provisions of this chapter and to the following provisions, to the extent reasonably applicable:

1. NRS 687B.310 to 687B.420, inclusive, concerning cancellation and nonrenewal of policies.
2. NRS 687B.122 to 687B.128, inclusive, concerning readability of policies.
3. The requirements of NRS 679B.152.
4. The fees imposed pursuant to NRS 449.465.
5. NRS 686A.010 to 686A.310, inclusive, concerning trade practices and frauds.
6. The assessment imposed pursuant to NRS 679B.700.
7. Chapter 683A of NRS.
8. To the extent applicable, the provisions of NRS 689B.340 to 689B.590, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance.
9. NRS 689A.035, 689A.410, 689A.413 and 689A.415.
10. NRS 680B.025 to 680B.039, inclusive, *and section 27.1 of this act* concerning premium tax, premium tax rate, annual report and estimated quarterly tax payments. For the purposes of this subsection, unless the context otherwise requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "prepaid limited health service organization."
11. Chapter 692C of NRS, concerning holding companies.
12. NRS 689A.637, concerning health centers.

Sec. 28. Notwithstanding the provisions of section 16 of this act, the ~~[Office of Economic Development]~~ Department of Business and Industry shall begin accepting applications for certification of qualified equity investments not later than October 1, 2013.

Sec. 29. This act applies only to a return or premium tax report filed under ~~[this]~~ title 57 originally due on or after the effective date of this act.

Sec. 30. This act becomes effective ~~[upon]~~ :

1. Upon passage and approval ~~[]~~ for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On October 1, 2013, for all other purposes.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

Thank you, Mr. President. Amendment No. 954 to Senate Bill No. 357 adds legislative findings and transfers most of the language from the Office of Economic Development to the Department of Business and Industry. It also reduces the size of the overall program from \$250 million to \$200 million, and other changes properly relating thereto.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

UNFINISHED BUSINESS
REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The Conference Committee concerning Senate Bill No. 185, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that Amendment No. 791 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 14, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Revises ~~the limitation on the principal amount of bonds and other securities that may be issued by the Board of Regents of the University of Nevada to finance certain projects. (BDR S 914))~~ provisions relating to projects of the Nevada System of Higher Education. (BDR 28-914)"

"AN ACT relating to the Nevada System of Higher Education; eliminating certain exemptions for the System from the requirements relating to public works; increasing the total principal amount of bonds and other securities that may be issued by the Board of Regents of the University of Nevada to finance certain projects at the University of Nevada, Reno; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Sections 1 and 3 of this bill eliminate certain exemptions in existing law for the Nevada System of Higher Education from the requirements relating to public works. (NRS 338.010, 338.018, 338.075)

Existing law authorizes the Board of Regents of the University of Nevada to issue bonds and other securities to finance certain projects at the University of Nevada, Reno, in a total principal amount not exceeding \$348,360,000. ~~(This)~~ Section 2 of this bill increases the authorized amount of such bonds to \$427,715,000.

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

Section 1. NRS 338.010 is hereby amended to read as follows:

~~338.010~~ As used in this chapter:

1. "Authorized representative" means a person designated by a public body to be responsible for the development, solicitation, award or administration of contracts for public works pursuant to this chapter.

2. "Contract" means a written contract entered into between a contractor and a public body for the provision of labor, materials, equipment or supplies for a public work.

3. "Contractor" means:

- (a) A person who is licensed pursuant to the provisions of chapter 624 of NRS.
- (b) A design-build team.

4. "Day labor" means all cases where public bodies, their officers, agents or employees, hire, supervise and pay the wages thereof directly to a worker or workers employed by them on public works by the day and not under a contract in writing.

5. "Design-build contract" means a contract between a public body and a design-build team in which the design-build team agrees to design and construct a public work.

6. "Design-build team" means an entity that consists of:

- (a) At least one person who is licensed as a general engineering contractor or a general building contractor pursuant to chapter 624 of NRS; and
- (b) For a public work that consists of:

- (1) A building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS.

- (2) Anything other than a building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS or landscape architecture pursuant to chapter 623A of NRS or who is licensed as a professional engineer pursuant to chapter 625 of NRS.

7. "Design professional" means:

- (a) A person who is licensed as a professional engineer pursuant to chapter 625 of NRS;
- (b) A person who is licensed as a professional land surveyor pursuant to chapter 625 of NRS;

(c) A person who holds a certificate of registration to engage in the practice of architecture, interior design or residential design pursuant to chapter 623 of NRS;

(d) A person who holds a certificate of registration to engage in the practice of landscape architecture pursuant to chapter 623A of NRS; or

(e) A business entity that engages in the practice of professional engineering, land surveying, architecture or landscape architecture.

8. "Division" means the State Public Works Division of the Department of Administration.

9. "Eligible bidder" means a person who is:

(a) Found to be a responsible and responsive contractor by a local government or its authorized representative which requests bids for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373; or

(b) Determined by a public body or its authorized representative which awarded a contract for a public work pursuant to NRS 338.1375 to 338.139, inclusive, to be qualified to bid on that contract pursuant to NRS 338.1379 or 338.1382.

10. "General contractor" means a person who is licensed to conduct business in one, or both, of the following branches of the contracting business:

(a) General engineering contracting, as described in subsection 2 of NRS 624.215.

(b) General building contracting, as described in subsection 3 of NRS 624.215.

11. "Governing body" means the board, council, commission or other body in which the general legislative and fiscal powers of a local government are vested.

12. "Local government" means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318, 379, 474, 538, 541, 543 and 555 of NRS, NRS 450.550 to 450.750, inclusive, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision. The term includes a person who has been designated by the governing body of a local government to serve as its authorized representative.

13. "Offense" means failing to:

(a) Pay the prevailing wage required pursuant to this chapter;

(b) Pay the contributions for unemployment compensation required pursuant to chapter 612 of NRS;

(c) Provide and secure compensation for employees required pursuant to chapters 616A to 617, inclusive, of NRS; or

(d) Comply with subsection 4 or 5 of NRS 338.070.

14. "Prime contractor" means a contractor who:

(a) Contracts to construct an entire project;

(b) Coordinates all work performed on the entire project;

(c) Uses his or her own workforce to perform all or a part of the public work; and

(d) Contracts for the services of any subcontractor or independent contractor or is responsible for payment to any contracted subcontractors or independent contractors.

➤ The term includes, without limitation, a general contractor or a specialty contractor who is authorized to bid on a project pursuant to NRS 338.139 or 338.148.

15. "Public body" means the State, county, city, town, school district or any public agency of this State or its political subdivisions sponsoring or financing a public work.

16. "Public work" means any project for the new construction, repair or reconstruction of ~~f-~~

~~(a) A~~ a project financed in whole or in part from public money for:

~~(1)~~ (a) Public buildings;

~~(2)~~ (b) Jails and prisons;

~~(3)~~ (c) Public roads;

~~(4)~~ (d) Public highways;

~~(5)~~ (e) Public streets and alleys;

~~(6)~~ (f) Public utilities;

~~(7)~~ (g) Publicly owned water mains and sewers;

~~(8)~~ (h) Public parks and playgrounds;

~~[(9)]~~ (i) Public convention facilities which are financed at least in part with public money; and

~~[(10)]~~ (j) All other publicly owned works and property.

~~[(b) A building for the Nevada System of Higher Education of which 25 percent or more of the costs of the building as a whole are paid from money appropriated by this State or from federal money.]~~

17. "Specialty contractor" means a person who is licensed to conduct business as described in subsection 4 of NRS 624.215.

18. "Stand-alone underground utility project" means an underground utility project that is not integrated into a larger project, including, without limitation:

(a) An underground sewer line or an underground pipeline for the conveyance of water, including facilities appurtenant thereto; and

(b) A project for the construction or installation of a storm drain, including facilities appurtenant thereto,

↳ that is not located at the site of a public work for the design and construction of which a public body is authorized to contract with a design-build team pursuant to subsection 2 of NRS 338.1711.

19. "Subcontract" means a written contract entered into between:

(a) A contractor and a subcontractor or supplier; or

(b) A subcontractor and another subcontractor or supplier,

↳ for the provision of labor, materials, equipment or supplies for a construction project.

20. "Subcontractor" means a person who:

(a) Is licensed pursuant to the provisions of chapter 624 of NRS or performs such work that the person is not required to be licensed pursuant to chapter 624 of NRS; and

(b) Contracts with a contractor, another subcontractor or a supplier to provide labor, materials or services for a construction project.

21. "Supplier" means a person who provides materials, equipment or supplies for a construction project.

22. "Wages" means:

(a) The basic hourly rate of pay; and

(b) The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training or other similar programs or other bona fide fringe benefits which are a benefit to the worker.

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

~~[Section 1.]~~ Sec. 2. Section 5 of chapter 501, Statutes of Nevada 1991, as last amended by chapter 179, Statutes of Nevada 2011, at page 817, is hereby amended to read as follows:

Sec. 5. 1. The board, on behalf and in the name of the university, is authorized by this act, as supplemented by the provisions of the University Securities Law:

(a) To finance the project by the issuance of bonds and other securities of the university in a total principal amount not exceeding ~~[\$348,360,000]~~ \$427,715,000 for ~~the construction of~~ facilities at the University of Nevada, Reno, and in a total principal amount not exceeding \$422,155,000 for facilities at the University of Nevada, Las Vegas, \$35,000,000 of which may be used for the construction, other acquisition and improvement of a dental school and other structures and clinics associated with the dental school;

(b) To issue such bonds and other securities in connection with the project in one series or more at any time or from time to time on or before January 1, 2029, as the board may determine, and consisting of special obligations of the university payable from the net pledged revenues authorized by this act and possibly subsequently other net pledged revenues, secured by a pledge thereof and a lien thereon, subject to existing contractual limitations, and subject to the limitation in paragraph (a);

(c) To employ legal, fiscal and other expert services and to defray the costs thereof with any money available therefor, including, proceeds of securities authorized by this act; and

(d) To exercise the incidental powers provided in the University Securities Law in connection with the powers authorized by this act, except as otherwise expressly provided in this act.

2. If the board determines to sell the bonds authorized by subsection 1 at a discount from their face amount, the principal amount of bonds which the board is authorized to issue provided in subsection 1 is increased by an amount equal to the discount at which the bonds are sold.

3. This act does not limit the board in funding, refunding or reissuing any securities of the university or the board at any time as provided in the University Securities Law.

Sec. 3. NRS 338.018 and 338.075 are hereby repealed.

~~*Sec. 2.*~~ *Sec. 4. This act becomes effective on July 1, 2013.*

TEXT OF REPEALED SECTIONS

338.018 Applicability to certain contracts for construction work of Nevada System of Higher Education. The provisions of NRS 338.013 to 338.018, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds \$100,000 even if the construction work does not qualify as a public work, as defined in subsection 16 of NRS 338.010.

338.075 Applicability to certain contracts for construction work of Nevada System of Higher Education. The provisions of NRS 338.020 to 338.090, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds \$100,000 even if the construction work does not qualify as a public work, as defined in subsection 16 of NRS 338.010.

DEBBIE SMITH

DAVID R. PARKS

BEN KIECKHEFER

Senate Conference Committee

TERESA BENITEZ-THOMPSON

MICHAEL SPRINKLE

Assembly Conference Committee

Senator Smith moved that the Senate adopt the report of the Conference Committee concerning Senate Bill No. 185.

Remarks by Senator Smith and Kieckhefer.

SENATOR SMITH:

Thank you, Mr. President. There was general agreement on the Conference Committee that we have clarified the public-works provisions within the projects for the Nevada System of Higher Education.

SENATOR KIECKHEFER:

Thank you, Mr. President. This is something I looked into closely. The revisions do not necessarily expand the use of prevailing wage on a lot of these projects. It really relates more to the bidding process for projects developed by the Nevada System of Higher Education that are not necessarily funded by direct State appropriations, and under the new funding formula, they are not directly appropriating student fees. I also asked our legal counsel whether or not this relates to lease-purchase agreements. The response was this bill does not impact lease-purchase agreements by Nevada System of Higher Education. Those provisions are governed in Chapter 353 of *Nevada Revised Statutes*, not Chapter 388 to which this bill refers. Therefore, I feel comfortable with this revision to this bill.

Motion carried by a constitutional majority.

Mr. President:

The Conference Committee concerning Senate Bill No. 364, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that Amendment No. 722 of the Assembly be receded from and a third reprint be created in accordance with this action.

PAT SPEARMAN

DAVID PARKS

Senate Conference Committee

DINA NEAL

JAMES HEALEY

MELISSA WOODBURY

Assembly Conference Committee

Senator Spearman moved that the Senate adopt the report of the Conference Committee concerning Senate Bill No. 364.

Motion carried by a constitutional majority.

Mr. President:

The Conference Committee concerning Senate Bill No. 425, consisting of the undersigned members, has met and reports that:

It has agreed to recommend that Amendment No. 751 of the Assembly be concurred in.

It has agreed to recommend that the resolution be further amended as set forth in Conference Amendment No. 11, which is attached to and hereby made a part of this report.

Conference Amendment.

"SUMMARY—Authorizes the Nevada Gaming Commission to establish a study group relating to pari-mutuel wagering. (BDR ~~(41-1111)~~ S-1111)"

"AN ACT relating to gaming; ~~authorizing~~ requiring the Nevada Gaming Commission to ~~establish a~~ study ~~group~~ and review certain issues relating to pari-mutuel wagering; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law prohibits a person who is licensed to engage in off-track pari-mutuel wagering from: (1) accepting less than the full face value of an off-track pari-mutuel wager; (2) agreeing to refund or rebate a portion or percentage of the full face value of an off-track pari-mutuel wager; or (3) increasing the payoff of or paying a bonus on a winning off-track pari-mutuel wager. (NRS 464.075) This bill ~~authorizes~~ requires the Nevada Gaming Commission to ~~establish a~~ study ~~group to~~ and review issues relating to the offering of rebates ~~for~~ on pari-mutuel wagers, including the feasibility of: (1) accepting less than the full face value of an off-track pari-mutuel wager; (2) agreeing to refund or rebate a portion or percentage of the full face value of an off-track pari-mutuel wager; and (3) increasing the payoff of or paying a bonus on a winning off-track pari-mutuel wager. This bill further requires the Commission to adopt regulations exempting certain bets, refunds, rebates, payoffs or bonuses relating to off-track pari-mutuel wagering from the current prohibition under state law if, after studying and reviewing the issue, the Commission determines that it is in the best interests of this State and licensed gaming in this State.

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. ~~[NRS 464.075 is hereby amended to read as follows:~~

~~464.075 1. Except as otherwise provided in subsection 4, a person who is licensed to engage in off track pari mutuel wagering shall not:~~

~~(a) Accept from a patron less than the full face value of an off track pari mutuel wager;~~

~~(b) Agree to refund or rebate to a patron any portion or percentage of the full face value of an off track pari mutuel wager; or~~

~~(c) Increase the payoff of, or pay a bonus on, a winning off track pari mutuel wager.~~

~~2. A person who is licensed to engage in off track pari mutuel wagering and who:~~

~~(a) Attempts to evade the provisions of subsection 1 by offering to a patron a wager that is not posted and offered to all patrons; or~~

~~(b) Otherwise violates the provisions of subsection 1,~~

~~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.~~

~~3. The Nevada Gaming Commission shall adopt regulations to carry out the provisions of subsections 1 and 2. [of this section.]~~

~~4. The Nevada Gaming Commission may, by regulation, exempt certain bets, refunds, rebates, payoffs or bonuses from the provisions of subsection 1 if the Commission determines that such exemptions are in the best interests of the State of Nevada and licensed gaming in this state. Any bets, refunds, rebates, payoffs or bonuses that would result in the amount of such bets,~~

~~refunds, rebates, payoffs or bonuses being directly or indirectly deductible from gross revenue may not be exempt.~~

~~5. The Commission may establish and appoint a study group to review issues relating to the offering of rebates on pari-mutuel wagers. The study group may:~~

~~(a) Be comprised of the members of the Off-Track Pari-Mutuel Wagering Committee established pursuant to NRS 464.020 and any other operators of a race book;~~

~~(b) Evaluate the feasibility of:~~

~~(1) Accepting less than the full face value of an off-track pari-mutuel wager;~~

~~(2) Agreeing to refund or rebate a portion or percentage of the full face value of an off-track pari-mutuel wager; or~~

~~(3) Increasing the payoff of or paying a bonus on a winning off-track pari-mutuel wager.~~

~~6. The Commission may consider any findings by the study group appointed pursuant to subsection 5 in determining whether to adopt regulations to exempt bets, refunds, rebates, payoffs or bonuses from the provisions of subsection 1. (Deleted by amendment.)~~

Sec. 3.5. 1. Not later than January 1, 2014, the Nevada Gaming Commission shall study and review issues relating to the offering of rebates on pari-mutuel wagers. The Commission shall evaluate the feasibility of:

(a) Accepting less than the full value of an off-track pari-mutuel wager;

(b) Agreeing to refund or rebate a portion or percentage of the full face value of an off-track pari-mutuel wager; or

(c) Increasing the payoff of or paying a bonus on a winning off-track pari-mutuel wager.

2. If the Commission determines that exempting certain bets, refunds, rebates, payoffs or bonuses from the provisions of subsection 1 of NRS 464.075:

(a) Is in the best interests of the State and licensed gaming in this State, the Commission shall adopt regulations pursuant to subsection 4 of NRS 464.075 not later than April 1, 2014.

(b) Is not in the best interests of the State and licensed gaming in this State, the Commission shall, following the conclusion of the Commission's study and review, report its findings at the next regularly scheduled meeting of the Legislative Commission.

Sec. 4. This act becomes effective upon passage and approval.

TICK SEGERBLOM
AARON FORD

WILLIAM HORNE
TYRONE THOMPSON
IRA HANSEN

Senate Conference Committee

Assembly Conference Committee

Senator Segerblom moved that the Senate adopt the report of the Conference Committee concerning Senate Bill No. 425.

Motion carried by a constitutional majority.

GENERAL FILE AND THIRD READING

Senate Bill No. 475.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 965.

"SUMMARY—Makes various changes concerning governmental financial administration. (BDR 32-1124)"

"AN ACT relating to governmental financial administration; revising the provisions governing the rate and calculation of the payroll tax imposed on certain businesses other than financial institutions; ~~revising certain provisions governing the appropriation of money from the State Supplemental School Support Account;~~ extending the prospective expiration of certain requirements regarding the imposition and advance payment of certain taxes and fees; revising provisions relating to the computation of the

net proceeds from certain mining operations conducted in this State; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law imposes an excise tax on certain businesses other than financial institutions at the rate of 1.17 percent of the total wages paid by the business each calendar quarter that exceed \$62,500. (NRS 363B.110) On July 1, 2013, this rate is scheduled to change to 0.63 percent of the total wages paid by the business each calendar quarter. (Chapter 476, Statutes of Nevada 2011, pp. 2891-92, 2898) Sections 1, 8 and 10 of this bill delay that rate change until June 30, 2015, and provide for the imposition of the tax at the rate of 1.17 percent of the total wages paid by the business each calendar quarter in excess of \$85,000 until June 30, 2015.

~~Existing law imposes an additional tax on the gross receipts from the rental of transient lodging in certain counties and provides for the transfer of that money to the State Supplemental School Support Account. Existing law further provides that on and after July 1, 2013, the money in the State Supplemental School Support Account is appropriated to the school districts and charter schools of the State for the operation of such schools. (NRS 244.33561, 387.191) Section 2 of this bill extends to July 1, 2015, the prospective effective date of the provisions requiring that the money in the State Supplemental School Support Account be appropriated to such schools.~~

Existing law requires, until June 30, 2013, the advance payment of the tax on the net proceeds of minerals based upon the estimated net proceeds and royalties of a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada 2008, 25th Special Session, as last amended by chapter 476, Statutes of Nevada 2011, at pp. 2896-97) Section 3 of this bill delays the expiration of this requirement for advance payment until June 30, 2015, and section 9 of this bill makes conforming changes to related transitory provisions governing the duties of the Department of Taxation in 2016 and the appropriation and apportionment of money to counties and other local governments during that year.

Section 7 of this bill extends to January 1, 2016, the prospective effective date of certain other provisions revising the computation of the net proceeds from certain mining operations conducted in this State. Section 6 of this bill makes conforming changes to transitory provisions governing the computation for 2015, 2016 and subsequent calendar years.

Existing law imposes an annual fee of \$200 for a state business license. (NRS 76.100, 76.130) On July 1, 2013, this fee is scheduled to change to \$100. (Chapter 429, Statutes of Nevada 2009, as last amended by chapter 476, Statutes of Nevada 2011, at p. 2897) Section 4 of this bill delays this change until July 1, 2015.

Existing law requires, until June 30, 2013, an increase in the rate of the Local School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, as amended by chapter 476, Statutes of Nevada 2011, at pp. 2897-98)

Section 5 of this bill delays the expiration of this increase until June 30, 2015.

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

Section 1. NRS 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer at the rate of 1.17 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds ~~[\$62,500.]~~ \$85,000.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

Sec. 2. ~~NRS 387.191 is hereby amended to read as follows:~~

~~387.191 1. Except as otherwise provided in this subsection, the proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest must be paid by the county treasurer to the State Treasurer for credit to the State Supplemental School Support Account, which is hereby created in the State General Fund. The county treasurer may retain from the proceeds an amount sufficient to reimburse the county for the actual cost of collecting and administering the tax, to the extent that the county incurs any cost it would not have incurred but for the enactment of this section or NRS 244.33561, but in no case exceeding the amount authorized by statute for this purpose. Any interest or other income earned on the money in the State Supplemental School Support Account must be credited to the Account.~~

~~2. On and after July 1, [2013,] 2015, the money in the State Supplemental School Support Account is hereby appropriated for the operation of the school districts and charter schools of the state, as provided in this section. The money so appropriated is intended to supplement and not replace any other money appropriated, approved or authorized for expenditure to fund the operation of the public schools for kindergarten through grade 12. Any money that remains in the State Supplemental School Support Account at the end of the fiscal year does not revert to the State General Fund, and the balance in the State Supplemental School Support Account must be carried forward to the next fiscal year.~~

~~3.— On or before February 1, May 1, August 1 and November 1 of [2014,] 2016, and on those dates each year thereafter, the Superintendent of Public Instruction shall transfer from the State Supplemental School Support Account all the proceeds of the tax imposed pursuant to NRS 244.33561, including any interest or other income earned thereon, and distribute the proceeds proportionally among the school districts and charter schools of the state. The proportionate amount of money distributed to each school district or charter school must be determined by dividing the number of students enrolled in the school district or charter school by the number of students enrolled in all the school districts and charter schools of the state. For the purposes of this subsection, the enrollment in each school district and the number of students who reside in the district and are enrolled in a charter school must be determined as of the last day of the first school month of the school district for the school year. This determination governs the distribution of money pursuant to this subsection until the next annual determination of enrollment is made. The Superintendent may retain from the proceeds of the tax an amount sufficient to reimburse the Superintendent for the actual cost of administering the provisions of this section, to the extent that the Superintendent incurs any cost the Superintendent would not have incurred but for the enactment of this section, but in no case exceeding the amount authorized by statute for this purpose.~~

~~4.— The money received by a school district or charter school from the State Supplemental School Support Account pursuant to this section must be used to improve the achievement of students and for the payment of salaries to attract and retain qualified teachers and other employees, except administrative employees, of the school district or charter school. Nothing contained in this section shall be deemed to impair or restrict the right of employees of the school district or charter school to engage in collective bargaining as provided by chapter 288 of NRS.~~

~~5.— On or before November 10 of [2014,] 2016, and on that date each year thereafter, the board of trustees of each school district and the governing body of each charter school shall prepare a report to the Superintendent of Public Instruction, in the form prescribed by the Superintendent. The report must provide an accounting of the expenditures by the school district or charter school of the money it received from the State Supplemental School Support Account during the preceding fiscal year.~~

~~6.— As used in this section, "administrative employee" means any person who holds a license as an administrator, issued by the Superintendent of Public Instruction, and is employed in that capacity by a school district or charter school.] (Deleted by amendment.)~~

Sec. 3. Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, as last amended by chapter 476, Statutes of Nevada 2011, at page 2896, is hereby amended to read as follows:

Sec. 16. 1. This section and sections 2, 4, 14 and 15 of this act become effective upon passage and approval.

2. Sections 6 to 12, inclusive, of this act become effective on January 1, 2009.

3. Sections 4 and 6 to 12, inclusive, of this act expire by limitation on June 30, 2009.

4. Sections 1, 3, 5 and 13 of this act become effective on July 1, 2009.

5. Sections 1, 2, 3 and 5 of this act expire by limitation on June 30, ~~2013~~ 2015.

Sec. 4. Section 47 of chapter 381, Statutes of Nevada 2009, as last amended by chapter 476, Statutes of Nevada 2011, at page 2897, is hereby amended to read as follows:

Sec. 47. 1. This section and section 45.5 of this act become effective upon passage and approval.

2. Sections 1 to 44, inclusive, 45, 46 and 46.5 of this act become effective:

(a) Upon passage and approval for the purposes of adopting regulations and performing any other preparatory actions that are necessary to carry out the provisions of this act; and

(b) On October 1, 2009, for all other purposes.

3. Sections 44.3 and 44.7 of this act become effective on July 1, ~~2013~~ 2015.

Sec. 5. Section 20 of chapter 395, Statutes of Nevada 2009, as amended by chapter 476, Statutes of Nevada 2011, at page 2897, is hereby amended to read as follows:

Sec. 20. 1. This section and section 19 of this act become effective upon passage and approval.

2. Sections 1 and 2 of this act become effective on July 1, 2009.

3. Section 3 of this act becomes effective on July 1, 2009, and expires by limitation on June 30, 2011.

4. Sections 6 to 12, inclusive, of this act become effective on July 1, 2009, and expire by limitation on June 30, ~~2013~~ 2015.

5. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act become effective:

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

(b) On September 1, 2009, for all other purposes.

6. Sections 15.5 and 18.5 of this act become effective on July 1, 2013.

7. Section 18 of this act expires by limitation on June 30, 2013.

Sec. 6. Section 17.5 of chapter 449, Statutes of Nevada 2011, at page 2701, is hereby amended to read as follows:

Sec. 17.5. The amendatory provisions of section 12.7 of this act:

1. Do not apply to or affect any determination of gross yield or net proceeds required pursuant to NRS 362.100 to 362.240, inclusive, for the calendar year ~~2013~~ 2015.

2. Apply for the purposes of estimating and determining gross yield and net proceeds pursuant to NRS 362.100 to 362.240, inclusive, for the calendar year ~~{2014,}~~ 2016 and each calendar year thereafter.

Sec. 7. Section 19 of chapter 449, Statutes of Nevada 2011, at page 2701, is hereby amended to read as follows:

Sec. 19. 1. This section and sections 1 to 12, inclusive, and 13 to 18, inclusive, of this act become effective upon passage and approval.

2. Section 12.5 of this act becomes effective on January 1, 2012.

3. Section 12.7 of this act becomes effective on January 1, ~~{2014,}~~ 2016.

Sec. 8. Section 13 of chapter 476, Statutes of Nevada 2011, at page 2898, is hereby amended to read as follows:

Sec. 13. The amendatory provisions of section 4 of this act:

1. Do not apply to any taxes due for any period ending on or before June 30, 2011; and

2. Except as otherwise provided in subsection 1 and notwithstanding the expiration of that section by limitation pursuant to section 17 of this act, apply to taxes due pursuant to NRS 363B.110 for each calendar quarter ending on or before June 30, ~~{2013,}~~ 2015.

Sec. 9. Section 15 of chapter 476, Statutes of Nevada 2011, at page 2898, is hereby amended to read as follows:

Sec. 15. 1. When preparing its certificate of the tax due from a taxpayer pursuant to NRS 362.130 during the calendar year ~~{2014,}~~ 2016, the Department of Taxation shall reduce the amount of the tax due from the taxpayer by the amount of:

(a) Any estimated payments of the tax made by or on behalf of the taxpayer during the calendar year ~~{2013,}~~ 2015 pursuant to NRS 362.115, as that section read on January 1, ~~{2013,}~~ 2015; and

(b) Any unused credit to which the taxpayer may be entitled as a result of any previous overpayment of the tax.

2. Notwithstanding any provision of NRS 362.170 to the contrary:

(a) The amount appropriated to each county pursuant to that section for distribution to the county during the calendar year ~~{2014,}~~ 2016 must be reduced by the amount appropriated to the county pursuant to that section for distribution to the county during the calendar year ~~{2013,}~~ 2015, excluding any portion of the amount appropriated to the county pursuant to that section for distribution to the county during the calendar year ~~{2013,}~~ 2015 which is attributable to a pro rata share of any penalties and interest collected by the Department of Taxation for the late payment of taxes distributed to the county.

(b) In calculating the amount required to be apportioned to each local government or other local entity pursuant to subsection 2 of that section for the calendar year ~~{2014,}~~ 2016, the county treasurer shall reduce the amount required to be determined pursuant to paragraph (a) of that subsection for that calendar year by the amount determined pursuant to that paragraph for the calendar year ~~{2013,}~~ 2015.

Sec. 10. Section 17 of chapter 476, Statutes of Nevada 2011, at page 2898, is hereby amended to read as follows:

Sec. 17. 1. This section and sections 1 and 7 to 16, inclusive, of this act become effective upon passage and approval.

2. Sections 4.5 and 6 of this act become effective on July 1, 2011.

3. Sections 4 and 6.5 of this act become effective on July 1, 2011, and expire by limitation on June 30, ~~2013,~~ 2015.

4. Section 5 of this act becomes effective on the date that the balance of the separate account required by subsection 8 of NRS 408.235 is reduced to zero.

Sec. 11. The amendatory provisions of section 1 of this act:

1. Do not apply to any taxes due for any period ending on or before June 30, 2013; and

2. Except as otherwise provided in subsection 1 and notwithstanding the expiration of that section by limitation pursuant to section 12 of this act, apply to taxes due pursuant to NRS 363B.110 for each calendar quarter ending on or before June 30, 2015.

Sec. 12. 1. This act becomes effective upon passage and approval.

2. Section 1 of this act expires by limitation on June 30, 2015.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

Thank you, Mr. President. This is the Sunset Bill. Amendment No. 965 to Senate Bill No. 475 removes Section 2 to ensure the language is consistent with another piece of legislation. All of the tax issues remain the same, as they are in current law.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 224.

Bill read third time.

Remarks by Senator Ford.

Thank you, Mr. President. Assembly Bill No. 224 requires the Nevada Department of Education's System of Accountability information to include as funding for the purposes available a unique identifier for each student whose parent or guardian is a member of the United States Armed Forces, the Reserves or the National Guard. The measure requires school districts to implement tracking in the 2013-14 school year and report the progress to the Legislative Committee on Education. It also requires a similar report from the Department of Education to the Legislative Committee on Education. Finally, the Department of Education must submit a report to the 78th Session of the Nevada Legislature. I urge your support.

Roll call on Assembly Bill No. 224:

YEAS—20.

NAYS—None.

EXCUSED—Woodhouse.

Assembly Bill No. 224 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bills Nos. 9, 164, 252, 262, 428, 429, 430, 436; Senate Concurrent Resolution No. 10; Assembly Bills Nos. 84, 207, 212, 225, 240, 377, 395.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Jones, the privilege of the Floor of the Senate Chamber for this day was extended to Andoni Beristain.

On request of Senator Hardy, the privilege of the Floor of the Senate Chamber for this day was extended to Anton Casper, Barry Casper, Bridgette Casper, Gavin Casper, Leah Casper, Ric Casper, Vivian Casper and Jill Hardy.

On request of Senator Kihuen, the privilege of the Floor of the Senate Chamber for this day was extended to Peggy Lear-Bowen.

On request of Senator Segerblom, the privilege of the Floor of the Senate Chamber for this day was extended to Michael Feeley.

Senator Denis moved that the Senate adjourn until Monday, June 3, 2013 at 9:00 a.m.

Motion carried.

Senate adjourned at 12:05 a.m.

Approved:

BRIAN K. KROLICKI
President of the Senate

Attest: DAVID A. BYERMAN
Secretary of the Senate