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AN ACT relating to special license plates; authorizing the Commission on Special License Plates to request the Legislative Commission to direct the Legislative Auditor to perform an audit of certain charitable organizations which receive additional fees collected by the Department of Motor Vehicles for special license plates; revising provisions regarding the application submitted to the Department by certain persons seeking a special license plate intended to generate financial support for an organization; revising provisions requiring certain charitable organizations which receive additional fees paid for special license plates to provide certain documents and records annually to the Commission on Special License Plates; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, certain persons may apply to the Department of Motor Vehicles for the design, preparation and issuance of a special license plate that is intended to generate financial support for a charitable organization. The application must include certain information about the person requesting the special license plate, the charitable organization, if different from the person requesting the special license plate, and information about the intended use of the financial support. (NRS 482.367002) **Section 6** of this bill requires that such an application also include a budget prepared by or for the charitable organization if the charitable organization is not a governmental entity whose budget is included in the executive budget. **Section 6** also requires the Department to notify the Commission on Special License Plates (hereinafter referred to as "the Commission") and the charitable organization upon making a determination to issue the special license plate.

Existing law requires each charitable organization, not including a governmental entity whose budget is included in the executive budget, that receives fees from the sale of special license plates to prepare and submit annually to the Commission a balance sheet and a recent bank statement. (NRS 482.38277) The Commission is required to provide those documents to the Legislative Auditor, who is required to prepare a final written report for the Commission regarding the propriety of the financial administration and recordkeeping of the charitable organization. (NRS 482.38278) **Section 2** of this bill authorizes the Commission to request the Legislative Commission to direct the Legislative Auditor to perform an audit of any charitable organization that receives fees from the sale of special license plates if the Commission has reasonable cause to believe or has received a credible complaint that the charitable organization has: (1) filed with the Commission or the Department forms or records that are inadequate or inaccurate; (2) committed improper practices of financial administration; or (3) failed to use adequate methods and procedures to ensure that all money received in the form of additional fees from special license plates is expended solely for the benefit of the intended recipient. The Commission may also request the Legislative Commission to direct the Legislative Auditor to perform such an audit if the Commission



determines that an investigation and audit are reasonably necessary to assist the Commission in administering any provision of existing law which the Commission is authorized to administer.

Existing law also requires each charitable organization, not including a governmental entity whose budget is included in the executive budget, that receives fees from the sale of special license plates to prepare and submit annually to the Commission updated information regarding the telephone number and mailing address of the charitable organization and the names of persons who are responsible for overseeing the operation of the charitable organization. (NRS 482.38277) **Section 8** of this bill further requires that the charitable organization provide the Commission annually with a report on the budget of the organization which provides details about how the fees received from the special license plates have been expended and a copy of the most recent federal tax return of the organization, if any, including all schedules related thereto. **Section 8** also requires the charitable organization: (1) to post annually on its Internet website the most recent federal tax return of the charitable organization, if any, including all schedules related thereto; or (2) if the charitable organization does not have an Internet website, to publish annually the most recent federal tax return of the charitable organization, if any, including all schedules related thereto, in a newspaper of general circulation in the county where the charitable organization is based.

Existing law authorizes the Commission to recommend that the Department take adverse action against a charitable organization that receives fees from the sale of special license plates if the Commission makes certain determinations about the organization, and after the organization has had an opportunity for a hearing on those determinations. The adverse action recommended may include the suspension of the collection of all additional fees collected on behalf of the charitable organization and the suspension of production of the special license plates from which the charitable organization receives additional fees, if the Department is still producing that design. (NRS 482.38279) **Section 10** of this bill adds to the criteria on which the Commission may base such a determination the results of an audit prepared by the Legislative Auditor pursuant to **section 2**.

**Section 4** of this bill provides that certain records submitted to the Commission by a charitable organization that receives fees from the sale of special license plates are public records and are available for public inspection. Existing law provides that any personally identifiable information contained in such public records is confidential. (Chapter 239 of NRS, NRS 239B.030)

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

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

**Section 1.** Chapter 482 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

**Sec. 2. 1. *The Commission on Special License Plates may request the Legislative Commission to direct the Legislative Auditor to perform an audit of any charitable organization if the Commission on Special License Plates:***

***(a) Has reasonable cause to believe or has received a credible complaint that the charitable organization has filed with the***



*Commission on Special License Plates or the Department forms or records that are inadequate or inaccurate, has committed improper practices of financial administration, or has failed to use adequate methods and procedures to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient; or*

*(b) Determines that an audit is reasonably necessary to assist the Commission on Special License Plates in administering any provision of this chapter which it is authorized or required to administer.*

*2. If the Legislative Commission directs the Legislative Auditor to perform an audit of a charitable organization, the Legislative Auditor shall:*

*(a) Conduct the audit and prepare a final written report of the audit;*

*(b) Distribute a copy of the final written report to each member of the Commission on Special License Plates; and*

*(c) Present the final written report to the Commission on Special License Plates at its next regularly scheduled meeting.*

*3. Along with any statement of explanation or rebuttal from the audited charitable organization, the final written report of the audit may include, without limitation:*

*(a) Evidence regarding the inadequacy or inaccuracy of any forms or records filed by the charitable organization with the Commission on Special License Plates or the Department;*

*(b) Evidence regarding any improper practices of financial administration on the part of the charitable organization;*

*(c) Evidence regarding the methods and procedures, or lack thereof, used to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient; and*

*(d) Any other evidence or information that the Legislative Auditor determines to be relevant to the propriety of the financial administration and recordkeeping of the charitable organization, including, without limitation, the disposition of any additional fees received by the charitable organization.*

*Sec. 3. 1. Upon receiving notification by the Department pursuant to subsection 5 of NRS 482.367002 that a special license plate that is intended to generate financial support for an organization will be issued by the Department, a charitable organization, not including a governmental entity whose budget is in the executive budget, that is to receive additional fees shall, if the charitable organization wishes to award grants with any of the*



*money received in the form of additional fees, submit to the Commission on Special License Plates in writing the methods and procedures to be used by the charitable organization in awarding such grants, including, without limitation:*

*(a) A copy of the application form to be used by any person or entity seeking a grant from the charitable organization;*

*(b) The guidelines established by the charitable organization for the submission and review of applications to receive a grant from the charitable organization; and*

*(c) The criteria to be used by the charitable organization in awarding such a grant.*

*2. Upon receipt of the information required, the Commission shall review the procedures to determine if the methods and procedures are adequate to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient. If the Commission determines that the methods and procedures are:*

*(a) Adequate to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall notify the charitable organization of that determination.*

*(b) Inadequate to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall notify the charitable organization and request that the charitable organization submit a revised version of the methods and procedures to be used by the charitable organization in awarding grants.*

*3. A charitable organization may not award any grants of money received in the form of additional fees until the procedures and methods have been determined adequate by the Commission pursuant to subsection 2.*

**Sec. 4.** *All documents and information submitted to the Commission pursuant to sections 2 and 3 of this act, NRS 482.38277 and 482.38278 by a charitable organization that is to receive additional fees, not including a governmental entity whose budget is in the executive budget, are public records and are available for public inspection as provided in chapter 239 of NRS.*

**Sec. 5.** NRS 482.270 is hereby amended to read as follows:

482.270 1. Except as otherwise provided in this section or by specific statute, the Director shall order the redesign and preparation of motor vehicle license plates.

2. Except as otherwise provided in subsection 3, the Department shall, upon the payment of all applicable fees, issue



redesigned motor vehicle license plates pursuant to this section to persons who apply for the registration or renewal of the registration of a motor vehicle on or after January 1, 2001.

3. The Department shall not issue redesigned motor vehicle license plates pursuant to this section to a person who was issued motor vehicle license plates before January 1, 1982, or pursuant to NRS 482.3747, 482.3763, 482.3775, 482.378, 482.379 or 482.37901, without the approval of the person.

4. The Director may determine and vary the size, shape and form and the material of which license plates are made, but each license plate must be of sufficient size to be plainly readable from a distance of 100 feet during daylight. All license plates must be treated to reflect light and to be at least 100 times brighter than conventional painted number plates. When properly mounted on an unlighted vehicle, the license plates, when viewed from a vehicle equipped with standard headlights, must be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet.

5. Every license plate must have displayed upon it:

- (a) The registration number, or combination of letters and numbers, assigned to the vehicle and to the owner thereof;
- (b) The name of this State, which may be abbreviated;
- (c) If issued for a calendar year, the year; and
- (d) If issued for a registration period other than a calendar year, the month and year the registration expires.

6. Each special license plate that is designed, prepared and issued pursuant to NRS 482.367002 must be designed and prepared in such a manner that:

(a) The left-hand one-third of the plate is the only part of the plate on which is displayed any design or other insignia that is suggested pursuant to paragraph ~~(f)(1)~~ (g) of subsection 2 of that section; and

(b) The remainder of the plate conforms to the requirements for lettering and design that are set forth in this section.

**Sec. 6.** NRS 482.367002 is hereby amended to read as follows:

482.367002 1. A person may request that the Department design, prepare and issue a special license plate by submitting an application to the Department. A person may submit an application for a special license plate that is intended to generate financial support for an organization only if:

(a) For an organization which is not a governmental entity, the organization is established as a nonprofit charitable organization



which provides services to the community relating to public health, education or general welfare;

(b) For an organization which is a governmental entity, the organization only uses the financial support generated by the special license plate for charitable purposes relating to public health, education or general welfare;

(c) The organization is registered with the Secretary of State, if registration is required by law, and has filed any documents required to remain registered with the Secretary of State;

(d) The name and purpose of the organization do not promote, advertise or endorse any specific product, brand name or service that is offered for profit;

(e) The organization is nondiscriminatory; and

(f) The license plate will not promote a specific religion, faith or antireligious belief.

2. An application submitted to the Department pursuant to subsection 1:

(a) Must be on a form prescribed and furnished by the Department;

(b) Must specify whether the special license plate being requested is intended to generate financial support for a particular cause or charitable organization and, if so:

(1) The name of the cause or charitable organization; and

(2) Whether the financial support intended to be generated for the particular cause or charitable organization will be for:

(I) General use by the particular cause or charitable organization; or

(II) Use by the particular cause or charitable organization in a more limited or specific manner;

(c) Must include the name and signature of a person who represents:

(1) The organization which is requesting that the Department design, prepare and issue the special license plate; and

(2) If different from the organization described in subparagraph (1), the cause or charitable organization for which the special license plate being requested is intended to generate financial support;

(d) Must include proof that the organization satisfies the requirements set forth in subsection 1;

(e) Must be accompanied by a surety bond posted with the Department in the amount of \$5,000, except that if the special license plate being requested is one of the type described in subsection 3 of NRS 482.367008, the application must be



accompanied by a surety bond posted with the Department in the amount of \$20,000; ~~and~~

(f) *Must, if the organization is a charitable organization, not including a governmental entity whose budget is included in the executive budget, include a budget prepared by or for the charitable organization which includes, without limitation, the proposed operating and administrative expenses of the charitable organization; and*

(g) May be accompanied by suggestions for the design of and colors to be used in the special license plate.

3. If an application for a special license plate has been submitted pursuant to this section but the Department has not yet designed, prepared or issued the plate, the applicant shall amend the application with updated information when any of the following events take place:

(a) The name of the organization that submitted the application has changed since the initial application was submitted.

(b) The cause or charitable organization for which the special license plate being requested is intended to generate financial support has a different name than that set forth on the initial application.

(c) The cause or charitable organization for which the special license plate being requested is intended to generate financial support is different from that set forth on the initial application.

*(d) A charitable organization which submitted a budget pursuant to paragraph (f) of subsection 2 prepares or has prepared a new or subsequent budget.*

→ The updated information described in this subsection must be submitted to the Department within 90 days after the relevant change takes place, unless the applicant has received notice that the special license plate is on an agenda to be heard at a meeting of the Commission on Special License Plates, in which case the updated information must be submitted to the Department within 48 hours after the applicant receives such notice. The updating of information pursuant to this subsection does not alter, change or otherwise affect the issuance of special license plates by the Department in accordance with the chronological order of their authorization or approval, as described in subsection 2 of NRS 482.367008.

4. The Department may design and prepare a special license plate requested pursuant to subsection 1 if:

(a) The Department determines that the application for that plate complies with subsection 2; and



(b) The Commission on Special License Plates recommends to the Department that the Department approve the application for that plate pursuant to subsection 5 of NRS 482.367004.

5. *Upon making a determination to issue a special license plate pursuant to this section, the Department shall notify:*

*(a) The person who requested the special license plate pursuant to subsection 1;*

*(b) The charitable organization for which the special license plate is intended to generate financial support, if any; and*

*(c) The Commission on Special License Plates.*

6. Except as otherwise provided in NRS 482.367008, the Department may issue a special license plate that:

(a) The Department has designed and prepared pursuant to this section;

(b) The Commission on Special License Plates has recommended the Department approve for issuance pursuant to subsection 5 of NRS 482.367004; and

(c) Complies with the requirements of subsection 6 of NRS 482.270,

↳ for any passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with a special license plate issued pursuant to this section if that person pays the fees for personalized prestige license plates in addition to the fees for the special license plate.

~~16.1~~ 7. The Department must promptly release the surety bond posted pursuant to subsection 2:

(a) If the Department determines not to issue the special license plate; or

(b) If it is determined that at least 1,000 special license plates have been issued pursuant to the assessment of the viability of the design of the special license plate conducted pursuant to NRS 482.367008, except that if the special license plate is one of the type described in subsection 3 of NRS 482.367008, the Department must promptly release the surety bond posted pursuant to subsection 2 if it is determined that at least 3,000 special license plates have been issued pursuant to the assessment of the viability of the design of the special license plate conducted pursuant to NRS 482.367008.



~~7.1~~ 8. If, during a registration period, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:

(a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or

(b) Within 30 days after removing the plates from the vehicle, return them to the Department.

**Sec. 7.** NRS 482.38272 is hereby amended to read as follows:

482.38272 As used in NRS 482.38272 to 482.38279, inclusive, *and sections 2, 3 and 4 of this act*, unless the context otherwise requires, the words and terms defined in NRS 482.38273 to 482.38276, inclusive, have the meanings ascribed to them in those sections.

**Sec. 8.** NRS 482.38277 is hereby amended to read as follows:

482.38277 1. On or before September 1 of each fiscal year, each charitable organization, not including a governmental entity whose budget is included in the executive budget, that receives additional fees shall prepare a balance sheet for the immediately preceding fiscal year on a form provided by the Commission on Special License Plates and file the balance sheet, accompanied by a recent bank statement, with the Commission. The Commission shall prepare and make available, or cause to be prepared and made available, a form that must be used by a charitable organization to prepare such a balance sheet.

2. On or before July 1 of each fiscal year, each charitable organization, not including a governmental entity whose budget is included in the executive budget, that receives additional fees shall provide to the Commission and the Department:

(a) A list of the names of the persons, whether or not designated officers, who are responsible for overseeing the operation of the charitable organization;

(b) The current mailing address of the charitable organization; ~~and~~

(c) The current telephone number of the charitable organization ~~H~~;

*(d) A report on the budget of the charitable organization, including, without limitation:*

*(1) A copy of the most recent annual budget of the charitable organization; and*

*(2) A description of how all money received by the charitable organization in the form of additional fees was*



*expended, including, without limitation, how that money was expended by the charitable organization, or any recipient or awardee of that money from the charitable organization; and*

*(e) A copy of the most recent federal tax return of the charitable organization, if any, including all schedules related thereto.*

3. *On or before July 1 of each fiscal year, each charitable organization, not including a governmental entity whose budget is included in the executive budget, that receives additional fees shall post on the Internet website of the charitable organization or, if no such Internet website exists, publish in a newspaper of general circulation in the county where the charitable organization is based, the most recent federal tax return of the charitable organization, if any, including all schedules related thereto.*

4. The Legislative Auditor shall prescribe:

(a) The form and content of the balance sheets required to be filed pursuant to subsection 1; and

(b) Any additional information that must accompany the balance sheets and bank statements required to be filed pursuant to subsection 1, including, without limitation, the methods and procedures used to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient.

~~44~~ 5. The Commission shall provide to the Legislative Auditor:

(a) A copy of each balance sheet and bank statement that it receives from a charitable organization pursuant to subsection 1; and

(b) A copy of the information that it receives from a charitable organization pursuant to subsection 2.

**Sec. 9.** NRS 482.38278 is hereby amended to read as follows:

482.38278 1. On or before September 30 following the end of each fiscal year, the Legislative Auditor shall present to the Commission on Special License Plates a final written report with respect to the charitable organizations for which the Commission provided to the Legislative Auditor a balance sheet pursuant to subsection ~~44~~ 5 of NRS 482.38277.

2. The final written report must be distributed to each member of the Commission before the report is presented to the Commission.

3. Along with any statement of explanation or rebuttal from the audited charitable organization, the final written report may include, without limitation:



(a) Evidence regarding the inadequacy or inaccuracy of any forms or records filed by the charitable organization with the Commission or the Department;

(b) Evidence regarding any improper practices of financial administration on the part of the charitable organization;

(c) Evidence regarding the methods and procedures, or lack thereof, used to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient; and

(d) Any other evidence or information that the Legislative Auditor determines to be relevant to the propriety of the financial administration and recordkeeping of the charitable organization, including, without limitation, the disposition of any additional fees received by the charitable organization.

**Sec. 10.** NRS 482.38279 is hereby amended to read as follows:

482.38279 1. If the Commission on Special License Plates determines that a charitable organization has failed to comply with one or more of the provisions of NRS 482.38277 or if, in a report provided to the Commission by the Legislative Auditor pursuant to NRS 482.38278, *or section 2 of this act*, the Legislative Auditor determines that a charitable organization has committed improper practices of financial administration, has filed with the Commission or the Department forms or records that are inadequate or inaccurate, or has failed to use adequate methods and procedures to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall notify the charitable organization of that determination.

2. A charitable organization may request in writing a hearing, within 20 days after receiving notification pursuant to subsection 1, to respond to the determinations of the Commission or Legislative Auditor. The hearing must be held not later than 30 days after the receipt of the request for a hearing unless the parties, by written stipulation, agree to extend the time.

3. The Commission shall issue a decision on whether to uphold the original determination of the Commission or the Legislative Auditor or to overturn that determination. The decision required pursuant to this subsection must be issued:

(a) Immediately after the hearing, if a hearing was requested; or

(b) Within 30 days after the expiration of the 20-day period within which a hearing may be requested, if a hearing was not requested.



4. If the Commission decides to uphold its own determination that a charitable organization has failed to comply with one or more of the provisions of NRS 482.38277 or decides to uphold the determination of the Legislative Auditor that the organization has committed improper practices of financial administration, has filed with the Commission or the Department forms or records that are inadequate or inaccurate, or has failed to use adequate methods and procedures to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall issue its decision in writing and may recommend that the Department:

(a) Suspend the collection of all additional fees collected on behalf of the charitable organization; and

(b) Suspend production of the particular design of special license plates from which the charitable organization receives additional fees, if the Department is still producing that design.

5. If, in accordance with subsection 4, the Commission recommends that the Department take adverse action against a charitable organization, the Commission shall notify the charitable organization, in writing, of that fact within 30 days after making the recommendation. A charitable organization aggrieved by a recommendation of the Commission may, within 30 days after the date on which it received notice of the recommendation, submit to the Department any facts, evidence or other information that it believes is relevant to the propriety of the Commission's recommendation. Within 30 days after receiving all facts, evidence and other relevant information submitted to the Department by the aggrieved charitable organization, the Department shall render a decision, in writing, as to whether the Department accepts or rejects the Commission's recommendation. The decision of the Department is a final decision for the purpose of judicial review.

**Sec. 11.** This act becomes effective on July 1, 2015.

