

SENATE BILL NO. 418—COMMITTEE ON EDUCATION

MARCH 19, 2015

Referred to Committee on Education

SUMMARY—Revises provisions relating to refunds paid by private postsecondary educational institutions. (BDR 34-727)

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

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

AN ACT relating to postsecondary education; revising provisions governing refunds paid by private postsecondary educational institutions; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law requires a privately owned college or university to have a policy  
2 for refunds which requires the college or university to refund to a student all the  
3 money the student has paid, minus 10 percent of the tuition agreed upon, or \$100,  
4 whichever is less, if the student cancels his or her enrollment before the start of a  
5 training program. (NRS 394.449) This bill instead requires a privately owned  
6 college or university to refund to a student all the money the student has paid,  
7 minus 10 percent of the tuition agreed upon in the enrollment agreement or \$150,  
8 whichever is less. In addition, if the institution is accredited by a certain regional  
9 accrediting agency, the institution may retain any amount paid as a nonrefundable  
10 deposit to secure a position in the program as long as the institution clearly  
11 discloses that the deposit is nonrefundable before the deposit is paid. This bill  
12 similarly increases from \$100 to \$150 the maximum amount that an institution may  
13 retain in addition to the pro rata amount of tuition when a student withdraws or is  
14 expelled by the institution after the start of the training program and before  
15 completing 60 percent of the program.

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

1 **Section 1.** NRS 394.449 is hereby amended to read as follows:  
2 394.449 1. Each postsecondary educational institution shall  
3 have a policy for refunds which at least provides:



\* S B 4 1 8 R 1 \*

(a) That if the institution has substantially failed to furnish the training program agreed upon in the enrollment agreement, the institution shall refund to a student all the money the student has paid.

(b) That if a student cancels his or her enrollment before the start of the training program, the institution shall refund to the student all the money the student has paid, minus 10 percent of the tuition agreed upon in the enrollment agreement or ~~[\$100.]~~ \$150, whichever is less ~~[\$]~~, *and that if the institution is accredited by a regional accrediting agency recognized by the United States Department of Education, the institution may also retain any amount paid as a nonrefundable deposit to secure a position in the program upon acceptance so long as the institution clearly disclosed to the applicant that the deposit was nonrefundable before the deposit was paid.*

(c) That if a student withdraws or is expelled by the institution after the start of the training program and before the completion of more than 60 percent of the program, the institution shall refund to the student a pro rata amount of the tuition agreed upon in the enrollment agreement, minus 10 percent of the tuition agreed upon in the enrollment agreement or ~~[\$100.]~~ \$150, whichever is less.

(d) That if a student withdraws or is expelled by the institution after completion of more than 60 percent of the training program, the institution is not required to refund the student any money and may charge the student the entire cost of the tuition agreed upon in the enrollment agreement.

2. If a refund is owed pursuant to subsection 1, the institution shall pay the refund to the person or entity who paid the tuition within 15 calendar days after the:

(a) Date of cancellation by a student of his or her enrollment;

(b) Date of termination by the institution of the enrollment of a student;

(c) Last day of an authorized leave of absence if a student fails to return after the period of authorized absence; or

(d) Last day of attendance of a student,

↳ whichever is applicable.

3. Books, educational supplies or equipment for individual use are not included in the policy for refund required by subsection 1, and a separate refund must be paid by the institution to the student if those items were not used by the student. Disputes must be resolved by the Administrator for refunds required by this subsection on a case-by-case basis.

4. For the purposes of this section:

(a) The period of a student's attendance must be measured from the first day of instruction as set forth in the enrollment agreement



1 through the student's last day of actual attendance, regardless of  
2 absences.

3 (b) The period of time for a training program is the period set  
4 forth in the enrollment agreement.

5 (c) Tuition must be calculated using the tuition and fees set forth  
6 in the enrollment agreement and does not include books, educational  
7 supplies or equipment that is listed separately from the tuition and  
8 fees.

9 **Sec. 2.** The amendatory provisions of section 1 of this act do  
10 not apply to any money paid by a student before July 1, 2015.

11 **Sec. 3.** This act becomes effective on July 1, 2015.

